



Campaigning for Warm Homes

Consultation Document Response

Review of the Home Energy Conservation Act 1995 (HECA)

Source : DEFRA

Jurisdiction : England

HECA places a duty on all Local Authorities with housing responsibilities to develop plans resulting in the significant improvement of energy efficiency of residential accommodation in their area.

Defra has undertaken a review of HECA, as implemented in England, to assess its continued success in delivering improvements in energy efficiency and options for the future.

The text which follows is NEA's response to this consultation

For the source documents visit

<http://www.defra.gov.uk/corporate/consult/heca/consultation.pdf>

or

<http://tinyurl.com/3xf2av>

Consultation on the Review of the Home Energy Conservation Act 1995 (HECA)

Comments from National Energy Action (NEA)

Introduction

National Energy Action (NEA) is a national charity whose primary objective is the eradication of fuel poverty. Since NEA takes the view that domestic heating and insulation improvements represent the most rational and sustainable approach to affordable warmth, it is clear that any proposal to review the existing policy structure relating to household energy efficiency is relevant to the charity's work.

1. What has been your experience of the success of HECA in meeting its objectives?

NEA strongly supported the introduction of the Home Energy Conservation Act as a Private Members Bill in the 1994/95 Parliamentary Session. The Bill was seen as a means to stimulate and measure local authority progress in improving residential energy efficiency and the supplementary guidance which set targets to achieve a 30% improvement in residential energy efficiency was both commendable and ambitious. NEA saw this as an excellent objective in itself but was particularly encouraged when subsequent guidance in 2000 introduced a requirement for local authorities to report on policies, strategies and achievements in reducing fuel poverty¹. This supplemented existing guidance on the Act which encouraged local authorities to take account of 'personal circumstances' of families and individuals within their community in publishing reports. These requirements were the stimulus for the development, adoption and implementation of Affordable Warmth Strategies by a significant number of local authorities.

NEA acknowledges that the benefits of the Home Energy Conservation Act have been highly variable – this is reflected in the general data published by Defra and in the commentary to this consultation. However, there is some evidence that the fuel poverty requirement of HECA reporting has produced highly positive results. An analysis of local authority fuel poverty reports² indicated that 86% of local authorities were taking action on fuel poverty; 54% had developed fuel poverty strategies; and a further 17% were in the process of developing a strategy. NEA also recognises the validity of the specific criticisms of HECA contained within the consultation document although it would be remiss not to comment on some of the areas highlighted by Defra and the reasons for the comparative failure of this legislation. It should, after all, be remembered just how high expectations were in relation to the legislation: 'The Home Energy Conservation Act is arguably the most important piece of energy efficiency legislation since the Second World War. It has the potential to change the way we use energy in our homes, resulting in increased comfort, smaller fuel bills and reduced carbon dioxide emissions. It will provide the basis for a national energy conservation policy, and will enable local authorities to establish themselves as the co-ordinators of social and environmental strategy³.

¹ Tackling Fuel Poverty – a local well-being issue, DETR, January 2000

² A Review of English Local Authority Fuel Poverty Reports and Strategies, Impetus Consulting and the Association for the Conservation of Energy, 2003

³ The Home Energy Conservation Act 1995: Guidance on the Guidance, Association for the Conservation of Energy, 1996

2. Do you think HECA promotes the Government's domestic energy efficiency objectives in an effective and proportionate manner?

HECA, as it currently stands, has had varying degrees of success in stimulating energy efficiency activity at a local level. The Act does not provide clear direction, robust/measurable targets or access to resources to enable comparable delivery across all areas nationally and therefore its contribution to national targets is inconsistent. Its lack of enforcement has often rated it low in terms of local priorities as agencies have directed funds and resources to other more rigorous target areas. In localities where energy efficiency/affordable warmth improvements appear to have been successful, this is largely due to the tenacity of local authority officers who have worked hard to raise and maintain its profile, making links with key local priorities but, unfortunately, this has been the exception rather than the rule.

3. Do you support the findings of the HECA Review? Is there any additional information that we should consider?

What went wrong with HECA?

Almost from the outset it was evident that there were problems with the Act. The first report⁴ made by the Secretary of State to Parliament indicated disappointing progress. The two-year period to the end of March 1998 suggested average energy efficiency improvements of around 2%-2.5% a rate of progress that would fail to meet targets. A subsequent survey of local authority officers⁵ also revealed general pessimism about the likelihood of meeting targets. The survey identified a number of specific difficulties and recommended a number of improvements including:

- Each Energy Conservation Authority (ECA) should be allocated an annual budget to fund a dedicated HECA officer (around half of authorities allocated less than 25% of one officer's time to the task)
- The regular involvement of a senior officer and substantial training
- A one-off capital budget allocation to fund HECA activity

The consultation document provides a significant update on some of these issues. In terms of staff resources it is suggested that the average Energy Conservation Authority now provides 60% of one officer's time to HECA (52% of ECAs allocate less than 40%⁶ of an officer's time for HECA activities).

Inconsistent reporting

HECA data collated and published by Defra has always featured the caveat that: 'because strategies and monitoring techniques differ, the information should not be used to compare the performance of authorities.' The root of this failing is the omission of highly prescriptive and specific guidelines on what and how local authorities should measure. It is axiomatic that where reporting procedures are vague and discretionary the quality and value of reported data will be suspect.

The claimed energy savings are not accurate

⁴ Home Energy Conservation Act 1995, DETR, April 1999

⁵ Monitoring the Implementation of the Home Energy Conservation Act, DETR, September 1999

⁶ The consultation suggests 0.4% of a full time employee's time allocated to HECA. NEA assumes this to be an error.

Ref. the original intention of the HECA Act:

'The Secretary of State takes the view⁷ that improving the energy efficiency of residential accommodation is important both because of the environmental impact of energy use in the domestic sector (estimated to be responsible for over 25% of emissions of the main greenhouse gas, carbon dioxide (CO₂) and because of the desirability of ensuring that every household has access to affordable warmth.'

NEA shares this view but is somewhat disappointed that these objectives have not been underpinned by a more rigorous and direct piece of legislation requiring that submitted data be both reliable and consistent.

HECA Officers

The consultation document states that HECA Officers, whilst considered a valuable resource, spend much of their time compiling reports and that more emphasis is needed to proactively develop and manage projects to deliver carbon savings. NEA would not disagree that positive, practical local action is the key to delivering climate change/fuel poverty objectives, however NEA's experience is that HECA Officers are often the instigators of such project activity and their contribution towards progress made to date should not be underestimated. NEA would strongly advise that if Government wishes to achieve significant reductions in domestic energy usage that existing resources at a local level are not displaced.

4. Which of the options outlined in Section 6, and the accompanying Impact Assessment, on the future role of HECA do you support? Please give reasons in support of your answer.

Section 6.24 in the consultation document clearly states that repealing HECA is "the Government's preferred option." Given the information provided in the consultation document and NEA's response regarding the effectiveness of the current framework, this would seem to be the only sensible option to select. However, it is vital important that if a decision is taken to repeal the Act, in order to increase activity and deliver national Government objectives, it must be replaced with a structure that:

- imposes more rigorous requirements on local authorities
- allows reliable comparisons to be made in terms of good and bad local authority performance
- enables quantifiable progress
- combines carbon reduction and fuel poverty targets

The consultation document suggests that the new climate change indicators which form part of the forthcoming Comprehensive Area Assessment process will take the place of HECA. NEA has contributed to the recent consultation process for the National Indicators for Local Authorities drawing particular attention to the inadequacies of the reporting mechanism in relation to the exclusion of some of the most vulnerable households in our communities. Unfortunately, this structure will in many ways replicate HECA in that it will simply result in a questionable annual measuring exercise that is likely to stimulate varying levels of local activity that are not determined by need, but by the interest and resolve of individual local authority officers. Without the impetus of enforcement and/or strong, clear targets NEA is concerned that this proposal will not have the required effect of a systematic reduction of household energy use and a corresponding positive impact on fuel poverty.

⁷ Department of the Environment Circular 2/96