



## **UK Home Energy Conservation Association Comments on DEFRA's Proposed Set of Indicators for the Local Government Performance Framework**

### **1. Introduction to UK HECA**

1.1 The UK Home Energy Conservation Association (UK HECA), previously the National HECA Forum, supports and represents local authority energy officers working to reduce the domestic carbon footprint and tackle fuel poverty. It comprises officers from the 379 Energy Conservation Authorities across the ten regional and devolved HECA fora in England and Wales, with the Northern Ireland HECA Forum and the Scottish HECA Officers' Network as associate members.

### **2. General comments**

2.1 UK HECA welcomes the opportunity to comment on Defra's proposed indicators for the local government performance framework. Our comments relate to the indicators on:

- Progress towards a climate-resilient local area
- Climate change mitigation
- Fuel poverty

2.2 UK HECA welcomes the inclusion of all these indicators. It has long been our view that inclusion of these issues in the local government performance framework is essential if more authorities are to give them the focus they require.

2.3 Whilst very much supporting the inclusion of a fuel poverty indicator, we believe that the indicator proposed requires considerable further analysis and stakeholder engagement to ensure it fully meets the criteria that Defra has set.

2.4 UK HECA believes that the climate change mitigation and fuel poverty indicators are of such importance that it should be mandatory in all Local Area Agreements, with local targets negotiated by each local authority with their regional government office.

2.5 UK HECA strongly believes that if and when the indicator on % CO<sub>2</sub> reduction per capita in the community is introduced, the duty to report on the % improvement in energy efficiency under HECA should be lifted, in accordance with the Government's objective to reduce the reporting burden on local authorities.

### **3. Our specific comments on the proposed indicators**

#### **i) Climate Resilience**

- 3.1 UK HECA welcomes the fact that the proposed indicator on climate-resilience is process- and not outcome-based, and we support the proposed 5 step process.
- 3.2 UK HECA would welcome a similar approach to be adopted for relevant central government policies. For instance, the building regulations should be reviewed to ensure that climate resilience is given greater focus. In particular, we believe that building specification and construction should take account of a maximum indoor temperature so that sustainable ventilation/cooling is designed in at the outset, preventing need for unsustainable cooling systems being retrofitted later.
- 3.3 It may be appropriate for process based indicators to should be measured by an external organisation on a three year timescale. Guidance and comparative data should be available to allow a local authority to measure its own progress in between official measurement. This would allow benchmarking and best practice sharing to take place.
- 3.4 As the measurement of Climate Change and its effects on a local scale are not yet fully formed, the indicator should be flexible enough to allow for changes to be made as improvements and greater appreciation of the problems locally are determined.

**ii) Climate change mitigation**

- 3.5 UK HECA welcomes both the % CO<sub>2</sub> reduction in the local authority's own operations and % CO<sub>2</sub> reduction per capita in the community indicators, and their focus on outcomes, i.e. CO<sub>2</sub> emissions.
- 3.6 We welcome the fact that there will be a standard methodology for each of these indicators. This will help to create a level playing field and make comparison between local authorities more plausible.
- 3.7 Whilst we welcome the fact that local authorities would be expected to collect data for their own operations themselves - as this will enhance their knowledge and understanding of how to effectively manage their own emissions – we are equally supportive of the proposal for the use of Defra estimates of annual CO<sub>2</sub> emissions in each local authority for the community indicator, rather than a requirement for local authorities to collect this. However, this will only reduce the current reporting burden - allowing local authorities to focus their efforts on actions to reduce CO<sub>2</sub> – if the HECA reporting burden is lifted if and when this indicator is introduced.
- 3.8 We are aware of several areas for improvement with Defra's estimates of CO<sub>2</sub> emissions and we are hopeful that these statistics can be made more robust over time.
- 3.9 UK HECA believes that the climate change mitigation indicator is of such importance that it should be mandatory in all Local Area Agreements, with local targets negotiated by each local authority with their regional government office.
- 3.10 We believe that it is wholly appropriate to set a community-wide indicator for local authorities and that they have sufficient scope to influence improvements in their area through their leadership and well-being functions and their partnerships and services.

### iii) Fuel poverty

- 3.11 UK HECA welcomes the inclusion of an indicator on fuel poverty in the performance framework and the efforts to identify an outcome-based indicator.
- 3.12 We recognise that due to its multi-faceted nature, monitoring actual fuel poverty is complex and resource intensive. We therefore welcome, in principle, the use of a proxy for fuel poverty, such as the SAP. We are aware that English House Condition Surveys in the past have shown that the likely incidence of fuel poverty can fall to below 6% of dwellings with a SAP of over 65.
- 3.13 However, we believe it is essential that the choice of indicator drives the right actions aimed at those who are most vulnerable and in need. We believe that the proposed choice of fuel poverty indicator – increase in average SAP of households in receipt of benefits - requires further scrutiny and dialogue with a wide-ranging group of stakeholders.
- 3.14 If the SAP indicator were to be used, UK HECA believes that an element of income maximisation would have to be provided. The indicator does not allow for the impact of increases in fuel prices as SAP is on a three year fuel cost average and is not responsive to sharp rises in fuel prices.

Our specific observations are as follows:

#### **Scope**

- It is unclear whether the indicator will include private as well as council housing?

#### **Choice of ‘increase average SAP of households in receipt of benefits’ indicator**

- A focus on increasing the SAP of benefit-claiming households could drive the wrong actions - it does not reflect the situations of those fuel poor among the significant number of households who are eligible but do not claim benefits (£8bn of benefits are estimated to go unclaimed each year) nor the fuel poor who are ineligible for benefits.
- There could be authorities with low SAP ratings but also a low take up of benefits which wouldn't necessarily fare badly.
- Collecting benefits/income-related information can be very problematic with response rates to questions on income sometimes as low as 25%.
- If this indicator were to be used, UK HECA believes that an element of income maximisation would have to be provided.

#### **Alternative indicator**

- UK HECA would like to see further exploration of the use of the SAP by itself as the basis for the indicator (i.e. without reference to benefits/incomes). We believe this could work if floor and ceiling targets were used in tandem, e.g.:
  - *the proportion of households below SAP65* (for reasons set out above at 3.12)
  - *the proportion of dwellings below SAP35* (the proxy for category 1 hazards under HHSRS)

- This would prevent local authorities from focusing on improving properties with existing SAPs of just under SAP65 and ensure an appropriate focus on improving the worst properties.
- Over time, the lower threshold SAP target could be raised above SAP35 as the worst homes are improved.

***Scope for setting regional/local SAP targets***

- Because SAP does not take account of geographic location, there would need to be scope for the setting of regionally or even sub-regionally adjusted targets if this indicator was to be included in Local Area Agreements.

***Method***

- The cost-benefits of a rolling annual stock condition survey of around 500 homes compared to the typical 5-yearly surveys remain unclear. This could have a major resource implication for many local authorities. 5-yearly surveys of council and private housing are normally undertaken separately and at different times. They each collect significant amounts of data beyond energy efficiency and income. We believe such a proposal would need to form part of a much wider consultation exercise involving CLG and a wider group of stakeholders.

***Reporting burden***

- There is a danger that the SAP indicator could significantly add to the reporting burden for local authorities and detract their efforts from action to address fuel poverty.
- We would therefore welcome further work on how data for a fuel poverty indicator could be collected by national agencies - as with the proposed indicator on the % CO<sub>2</sub> reduction per capita in LA communities.
- Any indicator need to have a robust baseline, with reporting methodology that is standard, and data collection is actually achievable.

Local authorities will need to be given powers and resources to support driving a target forward.- Without these we will be unable to do more than facilitate improvements. As previously stated in Para 3.9, the Climate Change and Fuel Poverty Indicators should be included among the 35 mandatory indicators.

**ENDS**