

FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

IMPROVEMENT AND SCRUTINY COMMITTEE – CLIMATE CHANGE, BIODIVERSITY AND CARBON REDUCTION

MONDAY, 28 NOVEMBER 2022

Report of the Executive Director - Place

The Council's Role in Decarbonising Derbyshire's Housing

1. Purpose

1.1 To provide an update to the Improvement and Scrutiny Committee for Climate Change, Biodiversity and Carbon Reduction on the work being undertaken by the Council to understand the motivations and barriers experienced by homeowners when considering improving the energy efficiency of their homes and to co-design and co-deliver a programme of activities to support homeowners to undertake energy efficiency work.

2. Information and Analysis

Background

2.1 According to the UK's Climate Change Committee, the UK's legally-binding climate change targets will not be met without the near-complete elimination of greenhouse gas emissions from UK buildings. Emissions from UK homes accounts for around a fifth of total UK emissions. Direct emissions from UK's 29 million homes reduced by about 17% from 1990 to 2020, although this has not been a steady reduction. Emissions reductions have recently stalled with energy use in homes actually increasing between 2016 and 2017. Between 2022 and 2050, emissions from residential buildings need to fall to zero at a rate of 3.4% per year based on current emissions levels.

- 2.2 Since 2020, local authorities in Derbyshire have been successful in gaining funding through the Social Housing Decarbonisation Fund and the Sustainable Warmth Competition to retrofit homes in the social housing sector, private rented sector, and homeowners in fuel poverty. In addition, support has also been available for a number of years through the Healthy Homes Project to improve the thermal performance of the privately owned homes where the homeowner is in fuel poverty and has an existing health problem made worse by the cold. The Warmer Derby and Derbyshire Helpline provides advice to residents on energy bills and energy efficiency.
- 2.3 Little work is being done with homeowners who are not in fuel poverty, many of whom would like to increase the energy efficiency of their home but are unsure of the steps to take for their property and personal situation.
- 2.4 Around 60% of Derbyshire's homes are EPC (Energy Performance Certificate) rated D or below indicating that they are poorly performing and also demonstrating the scale of the housing decarbonisation issue in Derbyshire. Data¹ shows that in all districts, except South Derbyshire, annual emissions from gas consumption in homes in the County are higher than the England average: South Derbyshire is comparable with the England average. Almost a fifth of homes in Derbyshire are not on the gas grid and are often heated using less efficient oil or LPG. Overall, households in areas with less deprivation emit more greenhouse gas emissions and arguably should be a focus for a housing decarbonisation initiative in order to have the biggest impact on emissions reduction.
- Officers from local authorities across Derbyshire, under the Vision Derbyshire umbrella, along with officers from two Nottinghamshire councils and Midlands Net Zero Hub are working together to engage residents to understand what support is needed to enable them to make their homes fit for the future. Officers received training through the UK:100 Local Climate Engagement Programme on community engagement along with continued consultant support to deliver the engagement activities. Recognising that reducing carbon emissions in Derbyshire is not something that councils can do alone, the engagement will result in a co-designed programme of activities to support the retrofitting of homes which will be co-delivered by local authorities and community groups. Whilst it is possible to anticipate some of the recommendations that might emerge from the engagement,

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¹ LA Reports | PBCC (carbon.place)

- it is important to engage with residents to fully understand what support is needed and how this can be co-designed and co-delivered.
- 2.6 Community engagement activities are underway across the County including on-line meetings and consultations and face-to-face events either with structured questions or a more general discussion from which key themes are identified. District and borough councils and the County Council are undertaking independent activities, the outputs of which will be collated to provide a single overview and to develop a programme of activities moving forward which will be co-delivered by councils and communities to support homeowners.
- 2.7 Businesses with the skills and experience to retrofit homes are already under high demand from the work generated by the social housing retrofitting programmes. There is, therefore, a need to develop the supply chain and give businesses the confidence to invest in training and skills development. This includes developing the technologies and increasing the number of installers, whilst also ensuring there are also sufficient qualified energy assessors and coordinators. Initial discussions with Economic Development colleagues and other key stakeholders indicate that significant input is needed to address this market failure to promote skills and training development and to give the sector confidence to invest in this area. The Council is also working with Midlands Net Zero Hub (formerly Midlands Energy Hub) to enable a comprehensive regional approach is taken on this issue.

Moving Forwards

- 2.8 Engagement activities will continue until early January 2023. Early analyses of the feedback show a number of key themes emerging:
 - Provision of a One-Stop Retrofit Shop or advice centre providing impartial advice, retrofit assessors, and potentially retrofit coordinators.
 - Coordination of Eco-Homes open days potentially focusing on Derbyshire housing architypes.
 - Bulk purchase of materials by the Council to enable savings to be passed on to households, e.g. insulation, solar panels.
 - Derbyshire housing architype case studies and good practice guidance.
 - Recommended retrofitting traders through a Trusted Trader scheme.
 - Local information provided through a website (potentially Everybody's Talking About Climate Change).
 - Expo showcasing event held for local retrofitting companies.

2.9 By March 2023, options papers, a programme of activities and business plans, where necessary, will be developed by the group for delivery by individual councils and communities. Proposals will be presented to Vision Derbyshire providing oversight and approvals will be sought by individual local authorities as appropriate.

3. Consultation

- 3.1 Close collaboration between district and borough councils and other key stakeholders has resulted in the consultation with Derbyshire residents.
- 3.2 Consultation has also taken place with the Vision Derbyshire Climate Change Officer Group and the Vision Derbyshire Climate Change Portfolio Holder/Lead Member Meeting.

4. Alternative Options Considered

4.1 No action: Taking no action to support homeowners to undertake energy efficiency measures would not support the urgent need to reduce greenhouse gas emissions to reach the Council's target to achieve net zero emissions across the County by 2050, or address the current market failure in the retrofitting industry.

5. Implications

5.1 Appendix 1 sets out the relevant implications considered in the preparation of the report.

6. Background Papers

6.1 None identified.

7. Appendices

7.1 Appendix 1 – Implications.

8. Recommendation

That the Committee:

a) Notes the work being undertaken by the Council to understand the motivations and barriers experienced by homeowners when considering actions to improve the energy efficiency of their homes and to co-design and co-deliver a programme of activities to support homeowners to undertake energy efficiency work.

9. Reason for Recommendation

9.1 To ensure the Committee understands and supports the work being undertaken on the above.

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<u>Implications</u>

Financial

- 1.1 The delivery of some of the proposed activities emerging from the consultation may have financial implications for the Council. These will be considered on a case-by-case basis.
- 1.2 Following approval at Full Council on 2 February 2022, the Council's Climate Change Programme now has confirmation of its budget for 2022-23 to 2026-27. A summary of which follows:
 - Base Budget: The Climate Change Programme holds a base budget of £0.503m per year for staff costs and project development and delivery.
 - A further allocation of £0.350m per year for 2022-23 and 2023-24, (a total of £0.700m) has been allocated for accelerated project development and delivery. This is to be funded from the Climate Change Earmarked Reserve (see below).
 - Climate Change Earmarked Reserve: The Revenue Budget Report 2020-21 secured approval for a sum of £4m from the Business Rates Pilot to support capital borrowing to meet the requirements of changes to the vehicle fleet and approaches to help reduce emissions from buildings. This is held by Place in an Earmarked Reserve.
- 1.3 Approval for the allocation of funds from the Reserve is managed by Finance Business Partners and the Climate Change and Environment Programme Board (CCEPB), through the delegated authority of the Executive Director Place.
- 1.4 The equivalent of £0.045m was awarded to the Council from the UK:100 Local Climate Engagement Programme which has provided training and support to local authority officers as set out in section 2.5 of this report.

Legal

2.1 There is no statutory obligation on the County Council to undertake work to support homeowners to undertake energy efficiency measures on their homes.

2.2 The delivery of some of the proposed activities emerging from the consultation may have legal implications for the Council. These will be considered on a case-by-case basis.

Human Resources

3.1 The delivery of some of the proposed activities emerging from the consultation may have human resource implications for the Council. These will be considered on a case-by-case basis.

Information Technology

4.1 The delivery of some of the proposed activities emerging from the consultation may have information technology implications for the Council. These will be considered on a case-by-case basis.

Equalities Impact

5.1 An Equalities Impact Assessment will be undertaken on the proposals resulting from the consultation. Considerable funding is being directed to improving the energy efficiency of social housing, the private rented sector, and privately owned homes where the household is in fuel poverty. This work is being delivered by the district and borough councils.

Corporate objectives and priorities for change

6.1 Through supporting homeowners to improve the energy efficiency of their homes, the project supports three of the key priorities in the Council Plan ('resilient, healthy and safe communities', 'high performing, value for money and resident focused services' and 'a prosperous and green Derbyshire). It also supports the Council's commitments to tackling climate change, as set out in the Derbyshire County Council Climate Change Strategy (2021-2025).

Other (for example, Health and Safety, Environmental, Sustainability, Property and Asset Management, Risk Management and Safeguarding)

7.1 Implementation of findings from the project will improve environmental sustainability through reducing greenhouse gas emissions from the domestic sector.