

STATES OF JERSEY



BUDGET STATEMENT 2010 (P.179/2009): COMMENTS

**Presented to the States on 27th November 2009
by the Minister for Planning and Environment**

STATES GREFFE

COMMENTS

Background

During 2009, the Department for Planning and Environment has initiated a grant scheme to provide energy efficiency measures and interventions to low income groups. The funding has been met by increased cash limits for 2009, but for 2010 and beyond, the States decided that the expenditure would be dependent upon the introduction of an environmental tax which has been proposed by the Minister for Treasury and Resources.

Funding energy efficiency services

Phase 1 of the work of the Energy Efficiency Service is aimed at low income groups in receipt of certain categories of Income Support. A further £1 million of funding is required to complete the initial target group in 2010, both in reaching all members of the 'vulnerable sectors' as well as ensuring that all of the most effective interventions are applied to their dwellings. This may be achieved by extending the available energy efficiency measures beyond the initial range of measures, i.e. cavity wall insulation, loft insulation, draught proofing, temperature controls and pipe lagging.

The programme of energy efficiency services in 2010

The following outlines the schemes progress to date –

- From a standing start in January 2009 1,750 low-income households have been directly targeted with the offer of energy efficiency advice and grant assisted interventions.
- The scheme was developed in consultation with groups like the Advisory Group on Environmental Sustainability (AGES) and the Jersey Environment Forum (JEF) as well as States-wide, e.g. Department for Social Security to ensure that UK best practice was integrated in a bespoke scheme for Jersey.
- Uptake for the scheme is currently in excess of 33%, compared to UK experiences of approximately 10%. We are working to ensure this rises still further.
- Benefits of the scheme are threefold:
 - (1) **Environmental** – Improving the energy efficiency of domestic dwellings is essential in assisting the States of Jersey to reach carbon reduction targets as set out in the Energy Green Paper and forthcoming White Paper as well as complying with the Island's international climate change obligations under the Kyoto Protocol.
 - (2) **Economic** – The scheme provides considerable financial stimulus into the local economy. It currently employs 10 local firms to carry out the property surveys and insulation interventions and is providing a strong impetus to improvements in the relevant skills of the local labour.

- (3) **Social** – The occupants of low income households benefit from year on year reduced energy bills (since they will be using less), increased comfort levels and potential health benefits from the improved thermal performance of their homes. The scheme aims to initially help people who do not have the financial ability to pay for such measures themselves.
- Interventions are being delivered by local contractors at best value. The price that the Energy Efficiency Service pays for interventions is far lower than that on the open market because discounts have been obtained as a result of the large number procured. Added value has also been realised with contractors agreeing to provide additional services for free or at minimal cost. For example, the Fire Service have provided us with smoke detectors which the contractors are installing while on site.
 - Continual re-evaluation of the scheme processes have led to the streamlining of the approach leading to both cost and time efficiencies which will be further realised as the scheme continues into 2010.
 - The performance of the scheme is being assessed using the following indicators which will allow the benefits of the programme to be audited and measured –
 1. Deliver a minimum 15 % reduction in energy use;
 2. Achieve household energy saving targets of £70 to £250;
 3. Reduce carbon dioxide emissions by 15% across the range of measures delivered by the scheme;
 4. Improve SAP rating¹ of dwellings in the target group by an average of 20 Points (based upon a selected assessment of generic types within the target groups);
 5. Tackle and provide improvement to the end use of energy to approximately 50% of households during Phase 1, from the identified target group.

Summary

In order to continue the valuable ongoing work of the Energy Efficiency Service, the Assembly is urged to support the proposal of the Minister for Treasury and Resources for a 4p increase in Impôts Duty including 3p to provide funding for environmental initiatives (comprising £1 million for the Energy Efficiency Programme), ahead of a proposed introduction of a low-level Vehicle Emissions Duty (VED) from September 2010.

¹ Standard Assessment Procedure (SAP) methodology is the UK Government's tool for assessing the energy performance of dwellings.