

**HOME ENERGY EFFICIENCY PROGRAMME AREA BASED SCHEME
(HEEPS:ABS) - Tackling Fuel Poverty**

1.0 EXECUTIVE SUMMARY

- 1.1 Fuel poverty is a significant issue facing Argyll and Bute, with the most recent Scottish House Condition Survey (SHCS) suggesting that 43% of residents are living in fuel poverty - 4% higher than the national average. The Atlantic Islands House Condition Survey suggests that in some areas 63% of local residents are in fuel poverty.
- 1.2 Argyll and Bute Council is committed to tackling fuel poverty with one of the four overarching outcomes, of the Local Housing Strategy 2011-2016, stating that:
- “More people in Argyll and Bute will live in well repaired and maintained homes that are affordable to heat.”,
- 1.3 This report updates Members on the Home Energy Efficiency Programme: Area Based Scheme (HEEPS:ABS) which represents the main Scottish Government grant funded programme to tackle fuel poverty.
- 1.4 It also outlines some of the activities by other partners operating in the area to tackle home energy efficiency and associated fuel poverty.

1.5 RECOMMENDATION

It is recommended that the Community Services Committee note the content of the report.

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2.0 INTRODUCTION

- 2.1 Argyll and Bute Council is committed to tackling fuel poverty. One of the four overarching outcomes, of the Local Housing Strategy 2011-2016, states that:

“More people in Argyll and Bute will live in well repaired and maintained homes that are affordable to heat.”

- 2.2 The Housing (Scotland) Act 2001 sets out a statutory duty on the Scottish Government to eradicate fuel poverty in Scotland, as far as is reasonably practicable, by November 2016. The Act also outlined what the Scottish Government meant by ‘fuel poverty’ by publishing the first Fuel Poverty Statement; thus adopting the following definition:

“A household is in fuel poverty if, in order to maintain a satisfactory heating regime, it would be required to spend more than 10% of its income (including Housing Benefit or Income Support for Mortgage Interest) on all fuel use.”

- 2.3 Living in fuel poverty can be extremely harmful to a person’s physical and mental health; with respiratory health, cardiovascular systems, arthritis being identified as having their roots from a person living in fuel poverty. In addition, recent research conducted by ‘Save the Children’ suggests that ‘the effects of Fuel Poverty for infants and children are primarily on physical health, which in turn might affect overall wellbeing and educational achievement.’

3.0 RECOMMENDATION

- 3.1 It is recommended that the Community Services Committee note the content of the report.

4.0 DETAIL

Fuel Poverty Action in Argyll and Bute

- 4.1 The Scottish Government states that tackling fuel poverty should go in tandem with reducing rates of carbon emissions. Furthermore, The Climate Change

(Scotland) Act 2009 requires Scottish greenhouse gas emissions to be reduced by 42% by 2020 and at least 80% by 2050.

- 4.2 The most recent Scottish House Condition Survey indicated that the fuel poverty rate across Scotland equated to 39% - an increase of 4% from the previous year. Recent research conducted by the Housing Service suggests that fuel poverty in Argyll and Bute is higher than the Scottish average. The 'Atlantic Islands Private Sector House Condition Survey' shows that in some areas, the fuel poverty rating is 63% - with the average Standard Assessment Procedure (SAP) rating – the measurement used to assess the energy efficiency of a dwelling- for private sector properties, across all of the Atlantic Islands, being measured at 48, against a national average of 63.
- 4.3 Fuel poverty is mainly caused by three factors:
- Inadequate insulation in the property;
 - Low incomes
 - High costs of energy
- 4.4 There are a number of reasons why rural areas are affected more by fuel poverty than urban areas, including:
- The average income in Argyll and Bute is lower than the national average and as such the disposable income of someone living in the area is not as great as someone living in another part of the country.
 - 41% of the Argyll and Bute population are off the gas grid and have to buy more expensive energy to heat and run their homes.
 - A larger proportion of properties in Argyll and Bute are more expensive when it comes to completing insulation measures. According to Home Analytics data, 38% of all properties in Argyll and Bute were built before 1945 and a significant number of these were built using solid walls. These factors mean that it is more expensive to carry out the required insulation measure to improve the energy efficiency.
 - The ageing population of Argyll and Bute also generate challenges with regards to the affordability of installing an energy efficiency measure to a property. The SHCS states that pensioners are more likely to be living in fuel poverty than any other age-group. Therefore, often those most at risk of fuel poverty are not able to go ahead with the insulation measures due to not being able to afford the costs of the works that are required.
- 4.5 Action to tackle fuel poverty is currently focused on the implementation of the HEEPS: ABS programme. HEEPS: ABS is a Scottish Government funded initiative which attempts to tackle fuel poverty by increasing the energy efficiency of properties. The area-based scheme is implemented by local authorities to provide energy efficiency measures, to private properties, in a defined area which suffers significantly from fuel poverty. In practice, this can mean that

households, if applicable, can access a grant up to £7,500 to insulate their property. In 2015/16 householders may be able to access grant assistance up to £9,000 if they meet the more stringent eligibility criteria. This increase was largely a result of lobbying by Argyll and Bute Council; whereby evidence was presented to the Government, to support the grant amount being increased. Often the grant alone is insufficient to cover the cost of the measure and it may also require a contribution from ECO (energy company obligation) and an owner's contribution. The government will also offer loans under the HEEPS: ABS scheme in certain circumstances.

- 4.6 Since the programmes inception there has been total investment of £4.9m which has supported the installation of energy efficiency measures to over 1,300 properties in Argyll and Bute. Areas previously benefitting from the HEEPS: ABS programme are Dunoon, Oban, Helensburgh, Mid Argyll, Kintyre and Bute. Allenergy have delivered the HEEPS: ABS programme on behalf of the Council since 2010.
- 4.7 The current programme for 2015/16 is focusing on Bute, Mull, Iona, Islay and Jura. The Scottish Government has awarded Argyll and Bute Council £1.9M in grant funding to deliver a range of energy efficiency measures to private properties Table 1 below outlines the targets agreed with the government in terms of the measures to be offered in the relevant areas. The intention for future years is to focus on those areas which evidence the highest levels of fuel poverty and which have not yet benefitted from the investment programme ie landward areas around main settlements and the remaining island communities.

Table 1: 2015-16 HEEPS:ABS Programme						
Area	External Wall Insulation (EWI)	Internal Wall Insulation (IWI)	Loft Insulation	Cavity Wall Insulation (CWI)	Underfloor Insulation	Total Measures per area
Mull	5	95	13	7	13	133
Iona	0	6	0	0	1	7
Islay	2	78	10	6	10	106
Jura	0	7	2	0	1	10
Bute	2	25	0	0	0	27
Total	9	211	25	13	25	283

- 4.8 Experience gained in the first three years of the programme has shown that delivery has been adversely affected by changes to ECO rates and protracted timescales for customers. Consequently for the 2015/16 programme the Council is implementing a thorough and detailed management and delivery process which will: ensure that customers are kept informed at every stage of the HEEPS: ABS process; improve on the time taken to complete measures following the initial enquiry and; strengthen the partnership working with Home Energy Scotland.

Energy Efficiency of Social Rented Properties

- 4.9 The Homeargyll partners are also carrying out a significant programme of works to improve the energy efficiency of their stock. Following on from the Scottish Housing Quality Standard (SHQS), the Scottish Government has recently

introduced the Energy Efficiency Standard for Social Housing (ESSH), as a means of improving the energy efficiency of social stock. Even though the SHQS contains an element on energy efficiency, this standard has now been superseded by ESSH. ESSH requires social landlords to have their properties up to a minimum Energy Performance Certificate (EPC) rating of EE by the end of 2020. An EPC denotes the energy performance of a dwelling, and is required at point of sale or re-let.

- 4.10 The most recent Annual Performance on Charter (ARC) return submitted to the Scottish Housing Regulator would suggest that a large percentage of the social rented properties in Argyll and Bute are on course to meet the SHQS by next year. According to the ARC returns:
- 99.75% of ACHA properties,
 - 96.4% of Fyne Homes,
 - 94.8 % of Dunbritton Housing Association properties, and
 - 100% of all West Highland Housing Association properties

ESSH will pose significant challenges for the RSL's; progress monitoring will continue by the Strategic Housing Forum, and also at the Home Energy Efficiency Forum.

- 4.11 HEEPS: ABS can assist Homeargyll partners in bringing properties up to an energy efficient standard in mixed tenure blocks. The Council is engaged with Homeargyll partners to maximise resources and benefits of joined up work planning.

Information and Advice

- 4.12 **ALlenergy- Affordable Warmth Service:** In addition to the management and delivery of the HEEPS:ABS scheme, ALlenergy also provide an in-depth advice service that assists clients with a range of energy efficiency information and assistance. Launching in 2009, ALlenergy's 'Affordable Warmth' service aims to reduce the number of households in Argyll and Bute who are experiencing fuel poverty. Their efforts are targeted towards those most at risk from fuel poverty; including: the elderly, single parents, families with young children, young adults living alone and disabled clients

The affordable warmth service will provide advice and assistance in the following areas:

- Energy Bills;
- Energy Debt;
- Insulation;
- Benefit checks and income maximisation;
- Behavioural changes and efficient use of appliances

Figures provided by ALlenergy would suggest that the service has had a positive impact on tackling fuel poverty. In the past year, ALlenergy have:

- Provided in-depth advice, support and mentoring to 331 vulnerable fuel poor households and conducted 134 benefit checks – many of whom

received help with benefits applications

- Provided information, awareness and general advice to 8,150 people at events and 1,000 people online
- Recruited and supported 62 energy champion volunteers – 22 of which are trained to City and Guilds level or a similar EAS-organised training scheme

4.13 **Home Energy Scotland:** Home Energy Scotland is the Scottish Government funded freephone helpline which offers free, impartial advice to householders, community groups, private sector landlords, local authorities, housing associations and businesses. The advice that can be provided from this service can include: information about saving energy; grant and loan schemes; renewable energy; sustainable transportation and waste prevention.

4.14 Following contact being made with HES, a referral will be made to the most appropriate service. In 2014/15, the three most common measures that people were referred to were:

- Insulation (574),
- Energy Assistance Scheme (342)
- The Warm Homes Discount (191).

4.15 **Welfare Rights.** Maximising income is also an important element in tackling fuel poverty and it is worth noting the contribution made by the Council's Welfare Rights Service who in 2014/15 secured £2.9m in additional benefits for some of the most vulnerable people in our community.

4.16 **Fyne Heat:** Fyne Homes have recently received funding from the Climate Change Fund to launch their 'Fyne Heat' programme. This programme will recruit and train a number of Fyne Homes Advisors; who will be tasked with providing expert advice to Fyne Home tenants on how they might be able to reduce their energy use.

Partnership Working

4.17 In 2013, the Home Energy Efficiency Forum was established to bring together all the main energy efficiency agencies operating in Argyll and Bute. This forum was established to further promote partnership working between the different energy agencies. All members of the Energy Efficiency Forum are also part of the Argyll and Bute Advice Network (ABAN) and the online referral system is the main way in which referrals are made to each of the advice agencies.

5.0 CONCLUSION

5.1 Fuel poverty is a significant issue for a large percentage of the population. Combined efforts by the Scottish Government, the Council and the energy advice agencies both national and local are tackling the problem but due to the wide range of factors which create fuel poverty it is an issue which will require

ongoing sustained action by all agencies. The HEEPS:ABS programme is important in that it is helping to reduce fuel poverty and improve property condition in both the private and public sector. However, there is still a lot to be done to reduce the levels and impact of fuel poverty.

6.0 IMPLICATIONS

- 6.1 Policy: The Council's Local Housing Strategy has an outcome to ensure that people in Argyll and Bute are living in 'well repaired and maintained homes that are affordable to heat'. HEEPS:ABS contributes to the achievement of this outcome.
- 6.2 Financial: The HEEPS: ABS grant awarded to Argyll and Bute Council has a number of conditions to ensure that the management of the grant is being distributed in accordance with Scottish Government guidance – outlined in grant acceptance letter.
- 6.3 Legal: There are legal implications if the Council fails to adhere to Scottish Government guidance with the management of the grant awarded. Furthermore, the Council has responsibility in terms of The Climate Change Act (2009) and The Housing (Scotland) Act 2001
- 6.4 Equalities: The successful delivery of HEEPS: ABS aims to lift vulnerable clients out of fuel poverty.
- 6.5 Risk: Legal, financial and reputational risk exists with the failure to manage grant awarded appropriately.
- 6.6 Customer Service: Regular programme monitoring and feedback will help to improve the customer experience of the HEEPS: ABS programme.

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