

**HOME ENERGY EFFICIENCY PROGRAMME:AREA BASED
SCHEMES(HEEPS:ABS)**

1.0 EXECUTIVE SUMMARY

- 1.1 This report is to provide Members with information about the Scottish Governments Home Energy Efficiency Programmes for Scotland Area Based Scheme (HEEPS:ABS) and its application within Argyll and Bute.
- 1.2 The report gives background to the programme including the information required by the Scottish Government application process. It informs Members about what the programme will deliver in 2014/15 and beyond.
- 1.3 There are significant financial implications associated with this programme which generates employment benefits as well as addressing energy efficiency and fuel poverty issues.
- 1.4 Argyll and Bute Council has been offered Scottish Government grant funding up to £2.3m in 2014/15 to deliver energy efficiency measures in 690 homes. 621 private homes and 69 owned by a social landlord.
- 1.5 The recommendation is that Members note the content of the programme and the associated benefits derived from it.

HOME ENERGY EFFICIENCY PROGRAMME: AREA BASED SCHEMES

2.0 INTRODUCTION

2.1 Home Energy Efficiency Programme for Scotland Area Based Schemes (HEEPS: ABS) is a ten year Scottish Government programme which started in 2013/14 to help to cover the cost of insulation measures. It can also help to cover the shortfall in the Energy Company Obligation (ECO) and some additional energy efficiency measures that are not covered by ECO but can improve the energy efficiency of the home.

HEEPS: ABS works alongside UK energy efficiency funding such as Green Deal and ECO, ensuring that Scotland levers in its share of funding and help householders to install a range of energy efficiency measures. The government has set out key objectives for the programme:

- To reduce fuel poverty
- To reduce carbon emissions
- To encourage ECO activity in Scotland.

2.2 Alienergy manages the programme on behalf of the Council and provides the technical knowledge and experience required for this specialist area of activity. The Scottish Government grant for second year of HEEPS:ABS - 2014/15 amounts to £2.3m.

3.0 RECOMMENDATIONS

3.1 Members note the content of the programme and the associated benefits derived from it.

4.0 DETAIL

4.1 The reduction of fuel poverty is a key policy within the 2011 – 2016 Local Housing Strategy for Argyll and Bute, which in turn contributes to the Single Outcome Agreement. The HEEPS:ABS scheme will help to deliver on the key objectives of the LHS in Argyll and Bute, namely:

- To develop partnerships which enable improvements in energy efficiency of stock
- To maximise SHQS compliance in social sector stock by 2015
- To develop targeted information & advice and assistance to encourage owners to repair & maintain their homes
- To tackle sub-standard housing

The scheme also supports delivery of the Argyll and Bute Community Plan and Single Outcome Agreement (20013-2023). 'We have infrastructure that supports sustainable growth and people live active, healthier and independent lives'.

- 4.2 Each year, in March, the Government announces the proposed expenditure on the overall HEEPS:ABS programme and seeks applications from local authorities to be submitted within six weeks. Bids are required to set out, in detail:
- The strategic approach to energy efficiency including evidence of need and data sources used
 - The targeted approach to energy efficiency: the areas to be targeted including details of the number and type of measures and potential ECO contributions
 - Outline proposals for future programmes within the local authority area
 - How the programme will support the local economy
 - Enabling and administrative costs
 - Confirmation of energy company support
 - Marketing strategy

The strategy focuses on areas:

- with high rates of fuel poverty indicated by local studies and knowledge
- of multiple deprivation indicated by SIMD and where there are known pockets of fuel poverty or general deprivation
- which support high numbers of groups vulnerable to fuel poverty and that have not been targeted by previous schemes.

In June, the government offered the Council a grant of up to £2,389,668 payable over the financial year 2014-15 specifically, in connection with, support for ECO eligible and other energy efficiency measures, to 690 homes of which 621 are privately owned and 69 are owned by a social landlord. Programme activity is generally mobilised around July.

- 4.3 Following on from the successful delivery of the Universal Home Insulation Scheme (UHIS), which targeted Dunoon; Oban; Helensburgh and the surrounding areas, Mid Argyll and Kintyre have been the focus of the first year of the HEEPS:ABS programme. Additional grant funding was allocated to the 2013/14 programme in March and requires to be spent by September 2014.
- 4.4 Details of the 2014/15 HEEPS:ABS programme is outlined in the following paragraphs.
- 4.5 Project 1: The Core project concentrates on the continuation of work commenced in 13/14 in Mid Argyll and Kintyre - this offers a range of measures including internal and external wall insulation and cavity wall insulation; loft Insulation top ups; virgin loft insulation and floor insulation measures to 240 private sector dwellings in Mid Argyll and Kintyre, as well as the areas in Oban, Helensburgh and Dunoon previously covered by UHIS. The project handles the waiting list for solid wall insulation measures as well as new householder engagements. Government funding for this project is £1.4m with anticipated contribution of £310k from ECO.

- 4.6 Project 2: Additional funds were allocated to offer measures on the island of Bute. Resources will allow energy efficiency measures to assist 189 private householders and the resources allocated for this £192k with anticipated ECO contribution of £154k.
- 4.7 Project 3: Is a joint project to be delivered in collaboration with SSE. It will offer loft and cavity wall insulation; boiler replacements; new gas heating systems and energy efficient electric heating to 118 Affordable Warmth Group(AWG) households across Argyll, utilising ECO funds under the Home Heating Cost Reduction Obligation, (HHCRO). This project will cover the waiting list from 2013/14 but will also take new referrals in case of drop-downs from the existing list and because there is a high level of interest expressed from householders. This project is supported by £252k HEEPS:ABS and £108k ECO.
- 4.8 Project 4: Offers insulation measures for hard to treat cavities, including external wall insulation and the removal and replacement of failed cavity wall insulation, to 21 privately owned dwellings associated with 25 Argyll Community Housing Association (ACHA) properties, in Tarbert and Rothesay. HEEPS:ABS contribution is £128k and anticipated ECO £23k. Owners contribution is estimated at £75k and Social landlord contribution £236k.
- 4.9 Project 5: Offers external wall insulation (EWI) to 53 private sector dwellings associated with 44 ACHA properties in Kintyre and Lorn, including a mixture of solid wall and hard to treat cavities. HEEP:ABS contribution will be £424k: ECO £48K; Owners £106k and Social Landlord £408k.
- 4.10 Projects 1 and 2 will be delivered directly by Allenergy and an installer team, working with Argyll and Bute Council and Home Energy Scotland. At the time of writing the contract for the installer team is out to tender. Alienergy and the Housing Service will co-ordinate with Housing Association partners where relevant. The enabling element of the programme will provide resources to employ a Housing Officer who will co-ordinate the programme for the Council. Project 3 will be delivered by Allenergy and Argyll and Bute Council, in partnership with SSE. Projects 4 and 5 will be delivered by ACHA in partnership with the Council and Allenergy: ACHA will be responsible for engaging householders, appointing installers, managing all works and budgets for the private sector properties as well as their own tenancies.
- 4.11 It is the intention to begin early engagement with householders on Mull, Coll, Tiree, Iona, Islay, Colonsay and Jura in preparation for the next phase of the HEEPS:ABS programme in 2015/16

5.0 CONCLUSION

- 5.1 The Council is building on and expanding the effective partnerships that it has developed in recent years, in order to deliver improvements in home energy efficiency and to address fuel poverty. This includes working with a range of Community Planning partners to ensure that households vulnerable to fuel poverty are engaged and benefit from the measures and services on offer.

6.0 IMPLICATIONS

- 6.1 Policy: The HEEPS:ABS programme is consistent with the Local Housing Strategy and Single Outcome agreement and the Community Plan.
- 6.2 Financial: It provides considerable additional resources to tackle fuel poverty and energy efficiency.
- 6.3 Legal: Procurement processes have been reviewed and the contract for the installer has been put out to tender to ensure compliance with EU procurement legislation.
- 6.4 HR: A Housing Officer is being recruited to manage the programme.
- 6.5 Equalities: None
- 6.6 Risk: There are a wide range of factors outwith the Council's control which can put the programme at risk, these include for example: engagement with householders; ECO availability; contractor performance; programme management. It therefore requires to be closely monitored to ensure progress is made.
- 6.7 Customer Service: Effective programme co-ordination is required to ensure that high customer service standards are achieved.

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