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| <b>Report To:</b>       | <b>Environment &amp; Regeneration Committee</b>                   | <b>Date:</b>       | <b>16 January 2020</b>  |
| <b>Report By:</b>       | <b>Corporate Director Environment, Regeneration and Resources</b> | <b>Report No:</b>  | <b>ENV/003/20/SA/RD</b> |
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| <b>Subject:</b>         | <b>SEEP Transition Programme Update Report</b>                    |                    |                         |

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## **1.0 PURPOSE**

- 1.1 The purpose of this report is to advise the Committee of the funding streams awarded to Inverclyde Council from the Scottish Government (SG) for energy efficiency work through the 'Scottish Energy Efficiency Programme' (SEEP) Transition Programme. The report also provides an update of the overall HEEPS:ABS Programme and 'Able to Pay' Programme across the Inverclyde Council area.

## **2.0 SUMMARY**

- 2.1 Local Authorities, COSLA and the Scottish Government are working together to deal with fuel poverty and to reduce greenhouse gas emissions in order to tackle the threat of climate change. As part of a range of programmes aimed at achieving these objectives, the SG has developed and funded Home Energy Efficiency Programme for Scotland: Area Based Schemes (HEEPS: ABS). The SG has awarded Inverclyde Council HEEPS:ABS funding of £10,079,562 from 2013 to date, this includes £1,144,634 for 2019-2020. The HEEPS:ABS funding is to assist homeowners to improve the energy efficiency of their homes, predominately by installing External Wall Insulation (EWI), contributing to the reduction of fuel poverty in identified areas of multiple deprivation.
- 2.2 The SG has also awarded Inverclyde Council £74,000 from 2018-2020 (18 month period), to deliver energy efficiency advice services to customers who are able to pay for energy efficiency works (domestic and non-domestic). The target market is houses with poor Energy Performance Certificate (EPC) ratings which may not be eligible for current SG Programmes such as HEEPS ABS or Warmer Homes Scotland. Advice is provided on insulation measures, heating solutions, how to save energy use, fuel switching and post completion advice on how to continue to get the best from the efficiencies. Customers include owner occupiers or private rented sector landlords who wish to improve the energy efficiency and thermal comfort of their homes for them or their tenants.

## **3.0 RECOMMENDATIONS**

- 3.1 It is recommended that the Committee:
- Notes the 2019/20 HEEPS:ABS Programme as set out in paragraph 5.1 of this report.
  - Notes the progress of the Able to Pay Programme for 2018-2020 as set out in paragraph 5.1.
  - Notes the HEEPS:ABS projects completed to date across the Inverclyde Council area as detailed in Appendix 1.

## **4.0 BACKGROUND**

- 4.1 The Scottish Government has introduced HEEPS:ABS funding to tackle fuel poverty and to improve the energy efficiency of housing within the private sector. The aim of this funding is to target specific areas where fuel poverty is known to exist and where homes are uninsulated or require additional insulation to bring them up to standard. The Scottish Index of Multiple Deprivation (SIMD) Scores for the whole of Scotland are used as the benchmark for determining which areas should be tackled first under HEEPS:ABS programmes.
- 4.2 HEEPS:ABS Energy Efficiency measures are predominately 'external wall insulation' (EWI) programmes where the insulation measure is provided and finished with a new render. The SG sets criteria for Local Authorities to identify areas of fuel poverty, to work on collaborative programmes in areas where there is property owned by local Housing Associations, to tackle uninsulated houses (non-traditional house types) and to target homes within council tax bands A-C. Often the driving force behind a programme would be a Housing Association identifying an area of need, the Housing Association pays for their properties and the Council provides HEEPS funding towards the costs for the homeowners. Appendices 1 and 2 contain detail of areas and numbers of properties upgraded under HEEPS:ABS since 2013.
- 4.3 The aim of the Able to Pay funding stream is to provide advice to owner occupiers or private rented sector landlords who wish to improve the energy efficiency rating and thermal comfort of their homes. Measures could include external wall insulation, internal wall insulation, energy efficiency and heating solutions and advice on switching fuel providers. Post completion advice on how to continue to get the best from efficiencies is also provided. The target market is customers with poor Energy Performance Certificate (EPC) ratings of E, F or G, who may not be eligible for current Scottish Government Programmes such as the HEEPS or the SG Warmer Homes Scotland scheme. The Wise Group are delivering the Able to Pay programme through their 'Wise About Energy' Programme. It is not clear at this stage if the Able to Pay funding will continue beyond 2020.
- 4.4 Physical work alone will not be sufficient to permanently improve energy efficiency, reduce fuel poverty and make homes warmer and more comfortable for their occupants. The HEEPS:ABS Programme therefore includes an element of funding for the highly successful Inverclyde Home Energy Advice Team (iHEAT) project which provides a full range of follow-on advice, information and advocacy services to owners and tenants whose homes have been insulated using HEEPS:ABS funding. This service enables householders to take full advantage of the opportunities offered by the thermal insulation works by providing advice on the best use of their heating, fuel supplies, and benefits where appropriate.
- 4.5 Between 2012-14 and the latest available figures for 2015-17 there has been a gradual reduction in overall fuel poverty figures in Inverclyde from 42% to 31%. A household is said to be in fuel poverty if it is required to spend more than 10% of household income on fuel. While this is obviously an issue with a large number of contributing variables household insulation is obviously a significant factor.

## **5.0 PROGRAMME OF WORKS**

- 5.1 The current HEEPS:ABS programme on site is in the Cowdenknowes area of Greenock. This programme was Phase 1 funded from 2018/19, where 84 privately owned houses received external wall insulation. Phase 2 of the programme is funded from HEEPS ABS 2019/20, whereby a further 106 households have been identified to take part in the programme. Phase 2 is in collaboration with River Clyde Homes (RCH) who own 17 properties. It is anticipated that this programme will continue into a 3rd Phase which will be funded from HEEPS:ABS 2020/21.
- 5.2 Previously 2 pilot programmes were completed on Athol Steel properties in the Larkfield area of Greenock in collaboration with Larkfield Housing Association. The steel structure of the properties involved and specific materials required meant these programmes were complex and challenging resulting in a high cost to owners. A 3<sup>rd</sup> pilot programme has been identified and includes 8 privately owned properties and 8 properties owned by Larkfield Housing

Association. To ensure best value, the method of work and materials to be used is being re-examined. It is anticipated that this programme will slip into 2020/21.

5.3 Officers from Strategic Housing are currently engaged with the RSLs to identify areas which would benefit from future HEEPS:ABS programmes. Appendix I details all HEEPS:ABS allocated funding and work programmes from 2013 to 2019.

5.4 The current Able to Pay 'Wise About Energy' programme has contacted over 3,500 households within Inverclyde informing them of 'Wise About Energy' Advice Services. The advice available to homeowners includes providing homeowners with Energy Performance Certificates and information on grants and funding options. The programme also involves assistance with securing the best energy deals available, advice on maximising savings and approving the right contractor for works to be carried out.

## 6.0 IMPLICATIONS

### 6.1 Financial

The SG commitment to an ongoing HEEPS:ABS Programme has allowed Inverclyde Council to plan investment in the private housing stock for future years and to make forward plans with partner RSLs. This will also allow flexibility in the ongoing HEEPS:ABS Programme as an alternative project can be brought forward if an agreed project cannot go ahead for any reason. All funding is supplied by SG and is drawn down by Inverclyde Council in its capacity as Strategic Housing Authority. £1.1m has been allocated for 2019-20 for HEEPS:ABS and £74K on Able to Pay for the 18 months to March 2020. In total over £10m has been invested in the Inverclyde housing stock since 2013.

Financial Implications - One off Costs

| Cost Centre | Budget Heading | Budget Year | Proposed Spend | Virement From | Other Comments |
|-------------|----------------|-------------|----------------|---------------|----------------|
|             |                |             |                |               |                |

Financial Implications - Annually Recurring Costs/ (Savings)

| Cost Centre | Budget Heading | With Effect from | Annual Net Impact | Virement From (if applicable) | Other Comments |
|-------------|----------------|------------------|-------------------|-------------------------------|----------------|
|             |                |                  |                   |                               |                |

### 6.2 Human Resources

None

### 6.3 Legal

None

### 6.4 Equalities

Has an Equality Impact Assessment been carried out?

Yes

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No This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required.

## 6.5 Repopulation

The provision of an energy efficient housing stock and reducing fuel poverty are key to retaining the existing population and to attracting new people into the Inverclyde Council area.

## 7.0 CONSULTATIONS

7.1 This report has been prepared in consultation with the following:

- Partner RSLs operating within the Inverclyde Council area;
- Scottish Government Housing – Sustainability & Innovative Finance Division.

## 8.0 LIST OF BACKGROUND PAPERS

8.1 Inverclyde Local Housing Strategy 2017-2022: 2019 Update 17 October 2019  
**ENV048/19/MM**

## APPENDIX 1

### INVERCLYDE COUNCIL - SUMMARY OF HEEP ABS GRANT AWARDS

| YEAR         | AMOUNT                     | ADDITIONAL FUNDING         | TOTAL FUNDING               |
|--------------|----------------------------|----------------------------|-----------------------------|
| 2013-2014    | 1,023,008.00               | -                          | <b>1,023,008.00</b>         |
| 2014-2015    | 1,254,860.00               | 212,374.85                 | <b>1,467,234.85</b>         |
| 2015-2016    | 1,584,171.00               | 150,000.00                 | <b>1,734,171.00</b>         |
| 2016-2017    | 1,071,260.85               | 575,000.00                 | <b>1,646,260.85</b>         |
| 2017-2018    | 1,225,258.85               | 288,500.00                 | <b>1,513,758.85</b>         |
| 2018-2019    | 1,249,023.00               | 301,471.00                 | <b>1,550,494.00</b>         |
| 2019-2020    | 1,106,694.00               | 37,940.14                  | <b>1,144,634</b>            |
| <b>TOTAL</b> | <b><u>8,514,275.70</u></b> | <b><u>1,565,285.99</u></b> | <b><u>10,079,561.69</u></b> |

| SUMMARY OF HOUSES MADE ENERGY EFFICIENT | HEEPS Funded - Owner               |                                 | Total Houses made Energy Efficient |
|---|------------------------------------|---------------------------------|------------------------------------|
|   | Occupied inc Private Rented Sector | Social Landlord (Funded by RSL) |                                    |
| 2013/14                                 | 176                                | 69                              | 245                                |
| 2014/15                                 | 230                                | 505                             | 735                                |
| 2015/16                                 | 217                                | 93                              | 310                                |
| 2016/17                                 | 243                                | 59                              | 302                                |
| 2017/18                                 | 187                                | 70                              | 257                                |
| 2018/19                                 | 183                                | 6                               | 189                                |
| 2019/20                                 | 120                                | 25                              | 145                                |
|   | <b><u>1356</u></b>                 | <b><u>827</u></b>               | <b><u>2183</u></b>                 |

| HEEPS - Areas Targeted 2013-2020              | HEEPS Funded - Owner               |                                 | Total Houses made Energy Efficient |
|---|------------------------------------|---------------------------------|------------------------------------|
|   | Occupied inc Private Rented Sector | Social Landlord (Funded by RSL) |                                    |
| Roxburgh/Wellington                           | 238                                | 69                              | 307                                |
| Bow Road                                      | 77                                 | 24                              | 101                                |
| Bardrainney                                   | 164                                | 37                              | 201                                |
| John Street                                   | 11                                 | 73                              | 84                                 |
| Balfour Street                                | 32                                 | 20                              | 52                                 |
| Broomhill                                     | 196                                | 470                             | 666                                |
| Wellpark (Shaw Place)                         | 40                                 | 23                              | 63                                 |
| Westmorland Athol Steel - Pilot               | 2                                  | 2                               | 4                                  |
| Auchmead Road                                 | 3                                  | 9                               | 12                                 |
| Slaemuir                                      | 6                                  | 18                              | 24                                 |
| Parkfarm                                      | 48                                 | 28                              | 76                                 |
| Larkfield                                     | 137                                | 12                              | 149                                |
| Overton                                       | 41                                 | 7                               | 48                                 |
| Devol   | 137                                | 6                               | 143                                |
| Larkfield Athol Steel (York Road) 2nd Pilot   | 2                                  | 2                               | 4                                  |
| Strone (Gray Street)                          | 11                                 | 2                               | 13                                 |
| Cowdenknowes                                  | 186                                | 17                              | 203                                |
| Larkfield Athol Steel - 3rd Pilot             | 8                                  | 8                               | 16                                 |
| Internal Wall Insulation/Low Cost Measures/ET | 17                                 | 0                               | 17                                 |
|   | <b><u>1356</u></b>                 | <b><u>827</u></b>               | <b><u>2183</u></b>                 |

# Wall Insulation Measure Areas

## APPENDIX 2

