

Agenda Item	5
Report No	CCWG/12/20

The Highland Council

Committee:	Climate Change Working Group
Date:	17 September 2020
Report Title:	Energy Efficient Scotland: Area Based Scheme
Report By:	Project Manager (Energy & Sustainability)

1. Purpose/Executive Summary

- 1.1 This report provides a summary of the Council's Energy Efficient Scotland: Area Based Scheme (EES:ABS) and an update on the progress being made.

2. Recommendations

- 2.1 Members are asked to note the contents of this report.

3. Implications

- 3.1 Resource – The funding allocation includes funding to cover staff costs for those working on the programme. The existing team within Energy & Sustainability will manage the programme and there is no cost implication to the Council.

As part of the marketing strategy Council officers require input from Corporate Communications team to publicise the scheme and ensure it complies with Council policy. Marketing is key to the success of the scheme to ensure signups are achieved and raise awareness of the funding and opportunities available to Highland residents.

- 3.2 Legal – There are no legal implications arising from this report.

- 3.3 Community (Equality, Poverty and Rural) – The programme is designed to target fuel poor households across the Highlands to offer energy efficiency measures to improve comfort levels and reduce heating costs.

Without the EES:ABS programme there is currently no other long-term support to households who are fuel poor and vulnerable to living with the effects of cold. It is expected the majority of households qualifying for the EES:ABS programme will also be directly impacted by the COVID-19 pandemic, whether it be financially or health concerns.

The ABS programme allows additional support to be offered to eligible Highland residents, while safeguarding the household and community during the COVID-19 pandemic and continuing our commitment with the Scottish Government.

- 3.4 Climate Change/Carbon CLEVER – the area based scheme delivers significant carbon savings and enables householders to meet the challenges of climate change. The programme on average, has annual carbon savings of 20,897 tons making a significant contribution to a low carbon Highlands.

- 3.5 Risk – a critical risk to the programme is achieving scheme sign ups, to mitigate this risk we are looking to undertake a significant marketing exercise and have updated the marketing strategy to reflect how the scheme can be promoted post lockdown.

Support from Councillors will be key to deliver the EES:ABS programme moving forward. People can be wary when opportunities are put to them, with Council and Councillor endorsement households should be provided with additional assurances of the legitimacy of the offer.

If grant funding cannot be fully spent it may hinder future funding awards to the Council.

3.6 Gaelic – There are no Gaelic implications arising from this report.

4. Background

4.1 The Highland Council has been awarded Scottish Government funding to deliver the area based scheme for the 8th consecutive year.

Over the last 7 years the scheme has leveraged circa £28.5 million of external funding to the Highlands to deliver energy efficiency measures to approximately 2,800 privately owned and privately rented properties throughout the Highlands.

The programme is designed to tackle fuel poverty and improve domestic energy efficiency in privately owned and rented properties.

4.2 Funding covers the cost of the installations, in the most part, although some works require a household contribution to meet the shortfall between installation cost and funding available.

Source of funding:

- Scottish Government grant
- Energy Company Obligation Funding (ECO)
- [Warm Homes Fund](#) – Affordable Warmth Solutions and National Grid established £150 million funding to support local authorities to address some issues affecting fuel poor households. The Highland Council submitted a category 2 bid for rural homes and communities to provide a provision to install 300 air source heat pumps to Highland residents (owner occupier and private rented) which combined with the Scottish Government Grant and ECO funding will result in a fully funded installation.

Scottish Government funding also covers Highland Council staff costs at the property section charge out rates.

4.3 Initially the programme focused on External Wall Insulation for the first 4 years, in year 5 it included a solution for Swedish Timber properties, Cavity Wall and Loft Insulation. We expanded the offering further in year 7 (2019/20) beyond insulation to offer First Time Central Heating to properties on electric storage heating.

A first time central heating system will be delivered through the installation of an air source heat pump, new radiators, hot water cylinder and controls as part of the EES:ABS programme. This is available to all households which meet the scheme eligibility criteria.

Eligibility criteria for the EES:ABS programme is outlined in appendix 1.

It is our aim to continue to build and expand the scheme, we are looking to include Solar PV and battery storage as part of this year's (Year 8, 2020/21) programme which we are awaiting confirmation from the Scottish Government.

5. Progress to date

5.1 The below table outlines installation targets for years 7 and 8 of the programme.

Measure	Year 7 (2019/20)	Year 8 (2020/21)
External Wall Insulation	140	50
Cavity Wall Insulation	214	156
Loft Insulation	290	197
First time central heating	110	176
Total	754	579

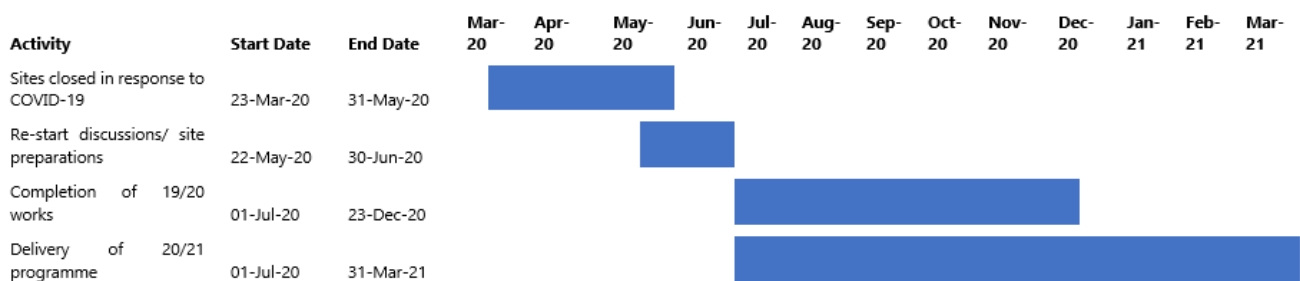
COVID-19 has had a significant impact on the delivery of the 2019/20 programme which resulted in the Scottish Government granting an extension for delivery to all local authorities.

The 2019/20 targets for both cavity wall and loft insulation have both been met and installs are progressing well towards the 2020/21 targets.

External wall insulation resumed late-July, in line with Scottish Government guidance. Due to the time of the restart coinciding with tourism reopening, contractors have experienced challenges obtaining accommodation and as rates were considerably higher, a reduced workforce resumed. The workforce is planned to increase mid-September to allow completion of remaining properties.

First time central heating works resumed early/mid-August due to the requirement to access and work within people's properties. A time lapse video is currently being developed to show the process of installing first time central heating, the video highlights the additional PPE and increased hygiene to protect the household and workers.

5.2 Below is a draft outline for completion of 2019/20 programme and proposed delivery of the 2020/21 programme. The programme will be subject to continual review and delivered in accordance with Scottish Government guidelines.



5.3 To encourage uptake to the programme, letters have been sent to properties across the Highlands inviting householders to make contact and express interest in the scheme. Marketing activities have been underway with radio and newspaper campaigns and various events earlier in the year (prior to COVID-19).

5.4 The main challenges can be summarised as follows:

- Obtaining signups for the programme
- Funding available per household – standardised funding levels are set by the Scottish Government which poses a challenge for Highland delivery as installation costs are considerably higher. It costs on average £2,500 more for a property in the Highland area

compared to Edinburgh area. This is due to costs to bring contractors and supplies to Highland. (Local workforce is used whenever possible)

6. Key Next Steps

- 6.1
 - Continue marketing to increase interest and signups to the programme
 - Seek new ways to promote
 - Finalise area selection for 2021/22 application
 - Continue to source and work with local contractors
 - Look at other energy efficiency measures which could provide support and increase comfort levels for Highland residents.
 - Align EES:ABS programme with Housing capital plans to deliver a collaborated area based programme which can support privately owned and rented and council properties to achieve best value.

7. Benefits

- 7.1 The EES:ABS programme provides significant grant funding to Highlands residents to undertake energy efficiency works (insulation measures and/or first time central heating) to the homes.

The programme aims to:

- Target fuel-poor areas
 - Provide support to those in fuel and extreme fuel poverty
 - Support households who are vulnerable to the effects of living in a cold home
- Provide significant savings to householders' fuel bills
- Reduce carbon

This has resulted in a number of benefits to the household including:

- lower fuel bills
- increased comfort levels
- improvements to the aesthetics
- in some instances, reduction in noise levels

All measures come with manufacturers warranties; length of warranty varies depending on measure.

- 7.2 A significant number of households throughout the Highlands will directly be impacted as a result of the COVID-19 pandemic. The EES:ABS programme can offer support to these households by offering energy efficiency measures which can lower the fuel costs and improve living conditions for the household.

Designation: Project Manager

Date: 4th September 2020

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Energy Efficient Scotland: Area Based Scheme

Eligibility Criteria

The below table outlines current measures available as part of The Highland Council's Energy Efficient Scotland: Area Based Scheme (EES:ABS) and the eligibility criteria.

Eligibility Criteria	Measure	External Wall Insulation	Cavity Wall Insulation	Loft Insulation	First Time Central Heating
Your property is Council Tax Band A, B or C (Band D is eligible where the EPC rating is E, F or G)		✓	✓	✓	✓
Your home is either owned by you or privately rented – must be your main residence and cannot be a second home or B&B		✓	✓	✓	✓
Your property is of solid wall construction		✓			
Your property must not be in a conservation area		✓			
Your property must not be a listed building		✓			✓
Your property has electric storage heating ¹					✓
Alternatively, you could qualify if you meet ECO Flex requirements			✓	✓	

¹ Other fuel types may be eligible, please contact for more information.

Energy Company Obligation: Flexible Eligibility Eligibility Criteria

To unlock additional funding, the household must meet the following criteria:

- Your household must meet the income threshold (see table below)²

Income threshold table

Number of people in the household	Household income (after housing costs) per year	Household income (after housing costs) per week
1 adult	£10,695	£206
1 adult and 1 child	£14,030	£270
1 adult and 2 children	£17,250	£332
1 adult and 3 children	£20,700	£399
1 adult and 4 or more children	£24,150	£465
2 adults	£17,480	£337
2 adults and 1 child	£20,930	£403
2 adults and 2 children	£24,265	£467
2 adults and 3 children	£27,715	£533
2 adults and 4 or more children	£30,820	£593

- Your household is in fuel poverty **OR** a member of the household is vulnerable to the effects of living in a cold home.

Fuel Poverty

The household must either:

- Spend more than 10% of its net income after housing costs on household fuel
- Have an EPC rating of D-G, with no connection to the gas grid
- Does not have a working central heating system

Vulnerable to the effects of living in a cold home

Households where one or more person has a health condition which could be exacerbated by living in a cold home are eligible.

Please visit www.highland.gov.uk/energyefficientscotland or contact EES-ABS@highland.gov.uk for more information.

² Please contact if your household composition is not listed, as others may be eligible.