

Agenda Item	5.
Report No	CC/19/23

The Highland Council

Committee:	Caithness Committee
Date:	13 November 2023
Report Title:	Wick District Heating Project - Housing
Report By:	Service Lead Investment and Building Maintenance (Housing)

1.	Purpose/Executive Summary
1.1	The Highland Council has partnered with Ignis Wick Ltd to delivery sustainable heating to around 200 homes in the Wick, Pultneytown area.
1.2	Analysis has concluded that connection to the district heating scheme raises the energy efficiency rating of domestic properties. There is clear evidence that access to the Ignis heating tariff leads to significant fuel bill savings to householders.
1.3	Further expansion of the heat network (Phases 1 and 2) is currently underway with an additional 123 planned to connect by the end of March 2024.
2.	Recommendations
2.1	Members are asked to: <ul style="list-style-type: none"> i. Note the contents of this report outlining the benefits to tenants ii. Note the progress for Phases 1 and 2 of the District Heating Expansion Project iii. Note the potential for further expansion of the domestic heating network dependent on infrastructure expansion and connection of public buildings
3.	Implications
3.1	Resource - £500,000 has been allocated from Capital Program budgets to complete heating installations for District Heating Expansion in Council houses.
3.2	Legal – There is a mix of tenures in the area which requires Council officers to negotiate access with private owners and tenants to allow installation of pipework serving neighbouring houses in some instances.
3.3	Community (Equality, Poverty, Rural and Island) – The Scottish Index of Multiple Deprivation 2020 (SIMD) places parts of Wick South among the 20% most deprived areas in Scotland.

3.4	Climate Change / Carbon Clever – The Ignis Wick Energy Centre and District Heating Scheme operates a 3.5MW biomass steam boiler to provide affordable low carbon heat over a local network. Biomass fuel is sourced from harvested forestry within a 100-mile radius of Wick. Using locally sourced renewable fuel ensures the scheme reduces the carbon footprint of energy used for heating.																																																		
3.5	Risk – Phases 1 and 2 are being managed directly through local procurement arrangements. Further phases are dependent on the expansion of network infrastructure and the connection of commercial and public buildings to the expanded network.																																																		
3.6	Health and Safety (risks arising from changes to plant, equipment, process, or people) – Contractors are required to manage risks associated with the installation of high-pressure pipework. Council officers continue to manage contact and liaison with tenants during installation.																																																		
3.7	Gaelic – Not applicable																																																		
4.	Phase 1 and 2 Progress																																																		
4.1	Phases 1 and 2 involves the planned connection of 123 council houses to the Wick District Heating Scheme by 30 March 2024. Table 1 shows progress of connections by street.																																																		
4.2	<p>Table 1 – Ph 1 and 2</p> <table border="1"> <thead> <tr> <th>Street</th> <th>Planned</th> <th>Completed</th> </tr> </thead> <tbody> <tr> <td>Barrogill Street</td> <td>4</td> <td>0</td> </tr> <tr> <td>East End</td> <td>2</td> <td>2</td> </tr> <tr> <td>Huddart Street</td> <td>12</td> <td>0</td> </tr> <tr> <td>Kinnaird Street</td> <td>14</td> <td>0</td> </tr> <tr> <td>Murchison Street</td> <td>24</td> <td>17</td> </tr> <tr> <td>Nicolson Street</td> <td>14</td> <td>8</td> </tr> <tr> <td>North Murchison Street</td> <td>8</td> <td>6</td> </tr> <tr> <td>Roxburgh Road</td> <td>4</td> <td>3</td> </tr> <tr> <td>Royal Place</td> <td>7</td> <td>7</td> </tr> <tr> <td>Shilling Hill</td> <td>2</td> <td>1</td> </tr> <tr> <td>Thistle Park</td> <td>5</td> <td>3</td> </tr> <tr> <td>Vansittart Street</td> <td>8</td> <td>1</td> </tr> <tr> <td>Wellington Avenue</td> <td>5</td> <td>4</td> </tr> <tr> <td>Wellington Street</td> <td>14</td> <td>9</td> </tr> <tr> <td>TOTAL</td> <td>123</td> <td>66</td> </tr> </tbody> </table>			Street	Planned	Completed	Barrogill Street	4	0	East End	2	2	Huddart Street	12	0	Kinnaird Street	14	0	Murchison Street	24	17	Nicolson Street	14	8	North Murchison Street	8	6	Roxburgh Road	4	3	Royal Place	7	7	Shilling Hill	2	1	Thistle Park	5	3	Vansittart Street	8	1	Wellington Avenue	5	4	Wellington Street	14	9	TOTAL	123	66
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4.3	Phases 1 and 2 are focussed on areas where there is existing heat network infrastructure allowing for ready connection.
5.	Impact and Benefit to tenants
5.1	The focus area in South Wick is among the 20% of most deprived areas of Scotland according to the SIMD 2020. Some part of the focus area score in the 1 st decile on multiple measures of deprivation including income and health. Delivering affordable warmth to this area will have a significant impact on households experiencing fuel poverty.
5.2	On connection to the heating network, tenants are charged 5p per KWh with no standing charge for meters. On average costs to tenants amounts to £500 per year for heat and hot water. This present significant savings compared to both gas and electric heating.
5.3	Connection to the network can be relatively simple with only minor disruption to tenants depending on the existing heating type installed in the home. Conversion from a gas installation can take 1 day while replacing electric heating can take 2 days.
6.	Potential Expansion
6.1	The potential future expansion of the network is entirely dependent on expanding the network infrastructure and connection of non-domestic buildings. This requires technical and financial analysis.
6.2	The Housing and Building Maintenance Service has considered the potential for future phases to connect Council houses as and when the opportunity arises.
6.3	With the expansion of the underground pipework from the Ignis plant, a future third phase could include 212 Council properties in the Upper Dunbar Street and Kennedy Terrace areas with a further 50 properties in the Seaforth Avenue area.
6.4	There are a further 362 Council houses across the river which could theoretically form a further expansion phase. This will require significant infrastructure investment subject to a feasibility study.
	<p>Designation: Service Lead Investment and Building Maintenance</p> <p>Date: 13 November 2023</p> <p>Author: Rory MacLeod (Housing and Building Maintenance)</p> <p>Background Papers: None</p> <p>Appendices: None</p>