

Agenda Item	6
Report No	CCC/07/24

The Highland Council

Committee: Climate Change

Date: 23 May 2024

Report Title: 2023/24 External Funded Project Overview, Planning of Future Domestic Retrofit Projects and Domestic Power BI

Report By: Assistant Chief Executive, People

1. Purpose/Executive Summary

- 1.1 This paper provides an update of the 2023/24 externally funded projects managed and delivered by the Council to privately owned and privately rented domestic properties.
- 1.2 The paper also includes proposed plans and work underway for 2024/25 externally funded domestic retrofit projects.

2. Recommendations

- 2.1 Members are asked to:
 - i. **Note** the contents of this report; and
 - ii. **Note** the development of externally funded projects across the region and the opportunity to scale up.

3. Implications

- 3.1 **Resource** – Change & Energy Team (CCET) has a dedicated team to manage the co-ordination and delivery of externally funded works. All staff costs are fully funded by the Scottish Government grant funding allocation and fee generation for ECO4 Flex & GBIS declarations.

There is no cost implication to the Council, however there are cost saving benefits.

- 3.2 **Legal** – There are no direct legal implications arising from this report. Legal advice will be sought as required and appropriate action taken.
- 3.3 **Community (Equality, Poverty, Rural and Island)** – External funding is designed to target fuel poor households across the region to provide energy efficiency measures to:
 - improve comfort levels
 - improve Energy Performance (EPC) rating
 - reduce carbon footprint
 - reduce heating costs (where possible/ dependant on household usage and

behaviour)

The table in section 4.2 of this reports outlines the percentage of households classed as extreme fuel poor who received external funding in 2023/24.

3.4 **Climate Change / Carbon Clever** – Externally funded domestic retrofit projects offer eligible Highland residents the opportunity to benefit from energy efficiency measures which reduce carbon emissions, can reduce heating costs, reduce levels of fuel poverty, and ensure a just transition to net zero.

3.5 **Risk**

Insufficient external funding – over the past 12 months there has been a significant increase in the number of expressions of interest for grant funding to support energy efficiency improvements to domestic properties. The Climate Change & Energy Team continue to seek additional external funding to support and build on planned projects.

Contractor & skills shortage can be mitigated by alignment with renewable framework and HC to support local training with other stakeholders.

3.6 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** – There are no Health and Safety risks arising as a direct result of this report.

3.7 **Gaelic** – There are no Gaelic implications arising as a direct from this report.

4. **2023/24 External Funded Project Overview**

4.1 There are currently 3 sources of external funding to support the delivery of energy efficiency projects to privately owned and rented domestic properties.

1. **Energy Efficient Scotland: Area Based Scheme (EES:ABS)** – the Council was awarded £2.4m of Scottish Government funding in 2023/24 to deliver energy efficiency improvements to privately owned and rented properties.

All funding has been fully allocated and works scheduled to complete by 31 May 2024.

The Council received over 613 expressions of interest for the EES:ABS project which were pre-qualified by the Council and passed to the approved contractor for further qualification. To date:

- 472 properties surveyed
- 41 surveys booked
- 79 properties to be booked for survey
- 21 householder cancellations.

This highlighted the pressure on funding and the requirement for the Council to seek additional funding.

Due to the volume of enquiries, there were significant delays in the customer journey. Improvements have been made throughout the year to manage expectations and this is an area we look to further address for future year programmes.

2. **SSE Renewable grant** – approximately £373,000 allocated to support the delivery of the 2023/24 EES:ABS programme to reduce/remove householder contribution for households classed as extreme fuel poor. A small amount of funding was also allocated to support ECO4 installs.
3. **Energy Company Obligation (ECO4) funding** – this funding is administered by Ofgem and the Council acts as a 3rd party signatory for the ECO4 Flex and GBIS scheme.

The team works with the appointed EES:ABS contractor to leverage ECO4 funding to support the delivery of the EES:ABS programme to maximise funding opportunities.

An overview of completed works is outlined in Appendix 1 and Appendix 2 provides an extract for ECO4 Flex & GBIS improvements.

Work remains ongoing at the time of writing this report. A project end report for the 2023/24 EES:ABS project will be produced following the completion of all installations. The project end report will be circulated to Committee Members.

- 4.2 The level of Highland residents in extreme fuel poverty is higher than the Scottish average. This is evident in the table below which outlines the number of properties installed in 2023/24 and the percentage classed as extreme fuel poor¹.

Funding	Number of properties	% classed as Extreme Fuel Poor
EES:ABS	135	83%
ECO4 Help to Heat Group ²	40	100%
ECO4 Flex & GBIS	60	45% ³
	235	

The below table provides an overview of the energy efficiency measures delivered under the 3 funding streams.

Measure	EES:ABS	ECO4 Help to Heat Group	ECO4 Flex & GBIS
Cavity wall insulation	28	9	16
Room in roof	11	3	10
Loft Insulation	35	8	11
Flat roof insulation	4	3	4
Underfloor insulation	14	-	5
Air source heat pump & heating controls	52	35	52
Solar PV with battery storage	115	1	3
Solar PV		36	52
Internal Wall Insulation		4	11
Electric storage heaters		5	8
Total	259	104	172

¹ Figures accurate at time of writing.

² Information provided by Union Technical Services Limited (appointed EES:ABS contractor). As the Council is not involved in the ECO4 Help to Heat Group (HTHG) we do not have access to wider data.

³ Percentage based on ECO4 Flex route 1, 55% qualified under routes 2 & 3 and qualified for funding due to a health condition.

- 4.3 A number of community benefits have been delivered by the EES:ABS contractor, including:
- Tesco vouchers to purchase jackets and shoes for children, outlined in Appendix 3
 - Cosy packs for householders
 - Agreement to purchase a defibrillator

Other proposed community benefits include school talks and training. CCET is working with the Council's Community Benefit Manager to progress.

5. Future Domestic Retrofit Projects

- 5.1 Approximately 140 properties will be carried over from 2023/24 EES:ABS enquiries/surveys and will form part of the 2024/25 EES:ABS programme. It is anticipated that this will account for 100% of the Council's 24/25 EES:ABS grant allocation⁴.
- 5.2 Four areas have been identified for 2024/25 delivery, in addition to the carry over properties. These are at various stages and are dependent on securing external funding and obtaining internal sign off. A new approach to targeting areas has been developed with stakeholders/partner organisations which is proposed for the 4 areas. The Council will be submitting a request to the Scottish Government for additional funding to support these projects and will work with appointed EES:ABS contractor to leverage ECO4 funding.
- 5.3 The proposed approach aims to avoid confusion by simplifying the communication around funding and eligibility, seeking to deliver energy efficiency works across all domestic tenures to assist in a just transition for all.
- 5.4 Due to the average levels of fuel and extreme fuel poverty in the region, the intention is to continue to offer whole house retrofit where technically feasible and viable, taking a 'fabric first' approach. This will maximise benefits to householders including improving the Energy Performance Certificate (EPC) rating and potential for significant annual bills savings as well as reducing carbon emissions.

6. Domestic Power BI

- 6.1 The Climate Change & Energy Team is currently in the final stages of the phase 1 development of Domestic Power BI. Internal stakeholders have been consulted and have inputted to ensure it meets end user requirements.
- 6.2 The Domestic Power BI contains all Highland domestic properties - circa 128,000. Taking information from various data sources, it will provide the Council with a tool to support the development of place-based projects. This forms part of the LHEES delivery plan and will enable the Council to develop short, medium and long term plans to deliver retrofit projects across the region.

Designation: Assistant Chief Executive, People

Date: 12 May 2024

Author: Isla MacMillan, Project Manager

⁴ This is an estimate based on information available at time of writing.

Appendices:

Appendix 1 - Overview of externally funded installs

Appendix 2 – ECO4 Flex & GBIS graphs

Appendix 3 – EES:ABS 23/24 community benefits

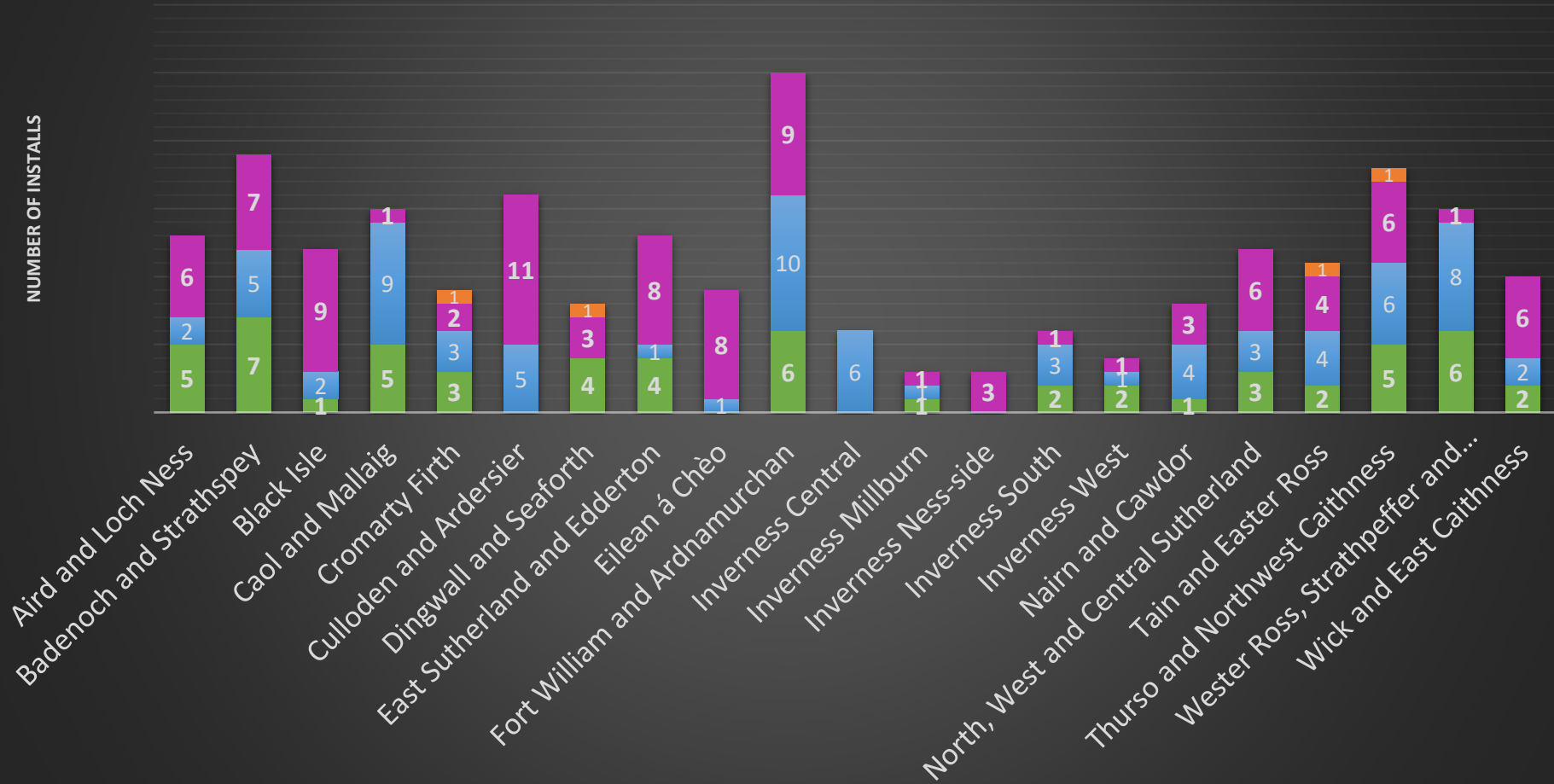
Appendix 1 - Overview of externally funded installs



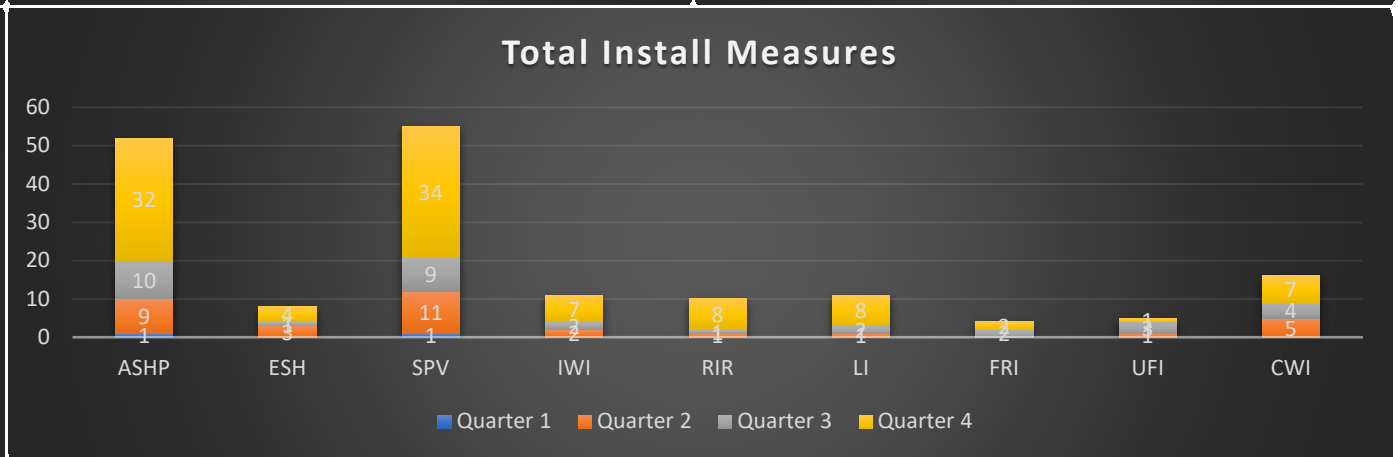
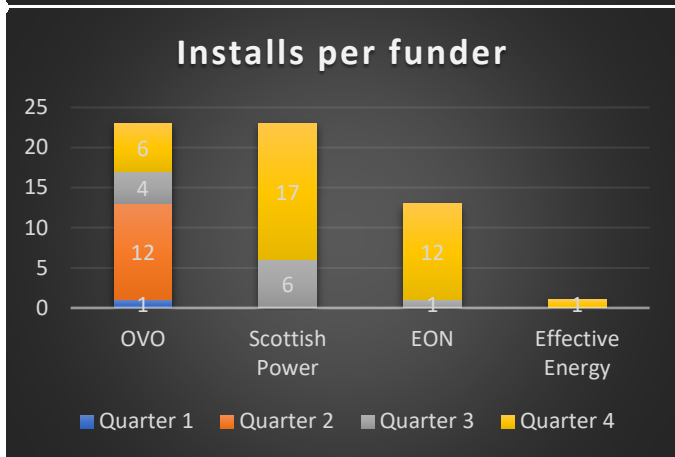
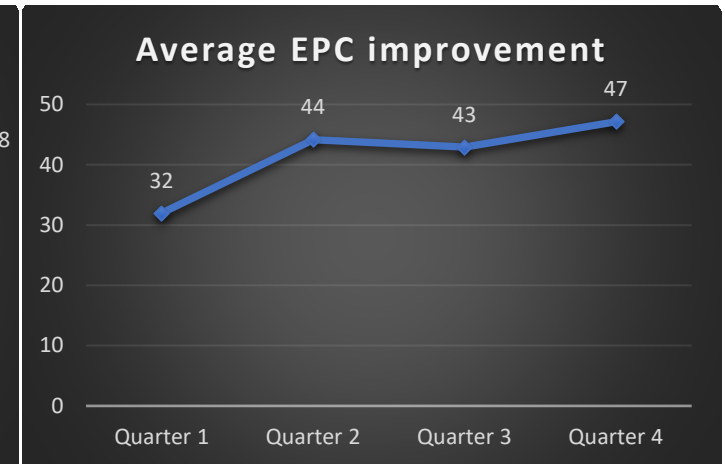
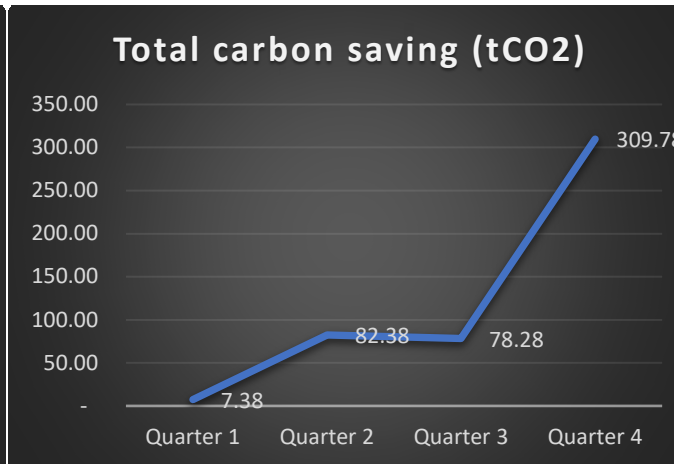
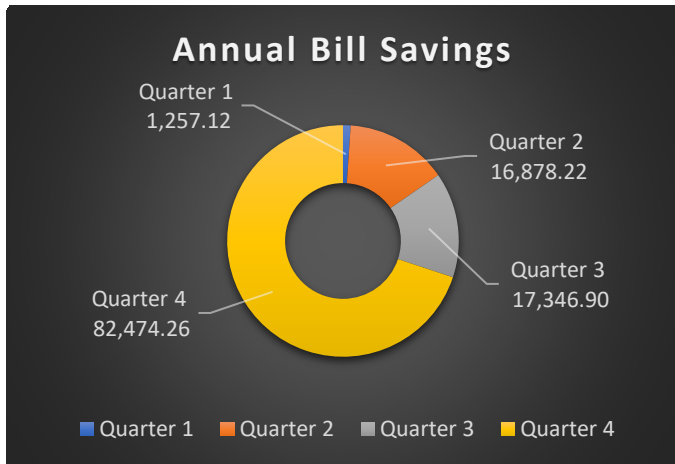
EES:ABS & ECO 4 Flex & GBIS installs & SSE funding

■ EES:ABS
 ■ EES:ABS & SSER
 ■ ECO4
 ■ ECO4 & SSER

NUMBER OF INSTALLS



Appendix 2 – ECO4 Flex & GBIS graphs



Funding overview					
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
ECO funding	£18,000	£210,400	£217,800	£791,334	£1,237,534
Customer Contribution	£0	£0	£0	£0	£0
Total	£18,000	£210,400	£217,800	£808,834	£1,237,534

Abbreviations:	
ASHP – Air source heat pump	RIR – Room in roof
ESH – Electric storage heater	LI – Loft insulation
SPV – Solar PV	FRI – Flat roof insulation
IWI – Internal wall insulation	UFI – Under floor insulation
	CWI – Cavity wall insulation

Appendix 3 – EES:ABS 23/24 community benefits

The below graph outlines the distribution of Tesco vouchers by ward, each voucher was worth £40.

