



COUNCIL EXECUTIVE

**UPDATE ON HOME ENERGY EFFICIENCY PROGRAMMES FOR SCOTLAND: AREA
BASED SCHEMES (HEEPS:ABS) 2018/19 AND 2019/20**

REPORT BY HEAD OF HOUSING, CUSTOMER AND BUILDING SERVICES

A. PURPOSE OF REPORT

To provide an update on the progress made for the 2018/19 HEEPS:ABS programme of External Wall Insulation and seek approval for proposals for the 2019/20 programme.

B. RECOMMENDATION

It is recommended that Council Executive:

1. Notes that the final funding allocation for the 2018/19 HEEPS:ABS programme is £1,093,645;
2. Notes that it is anticipated that the Scottish Government will allocate £1 million to West Lothian for 2019/20 HEEPS:ABS programme;
3. Approves the proposal to provide HEEPS:ABS funding to home owners in the Kneighridge area during 2019/20 in conjunction with the EWI work the council will be doing to its own stock;
4. Agrees to the Head of Housing, Customer and Building Services having delegated powers to make non-substantive changes to the 2019/20 HEEPS:ABS programme.

C. SUMMARY OF IMPLICATIONS

I Council Values	Focusing on our customers' needs; being honest, open and accountable; providing equality of opportunities; making best use of our resources; working in partnership
II Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment)	No policy or legal risks have been identified and all Health and Safety and Risk Assessment issues will be managed by adhering to CDM Regulations
III Implications for Scheme of Delegations to Officers	None
IV Impact on performance and performance Indicators	Will assist in improving the energy efficiency of the general housing stock and reduce the number of households living in Fuel Poverty.

V	Relevance to Single Outcome Agreement	Will help to reduce households living in Fuel Poverty.
VI	Resources - (Financial, Staffing and Property)	<p>A WLC capital budget of £1,726,000 to support the EWI work for the council owned houses in 2018/19 was approved by West Lothian Council on 13th February 2018. The Council budget for EWI for 2019/20 is £1,674,000.</p> <p>The HEEPS:ABS budget for 2018/19 was £1,093,645. Staffing costs are met through the HEEPS:ABS funding and a budget of £1,000,000 is anticipated for 2019/20.</p>
VII	Consideration at PDSP	Services for the Community considered a report on HEEPS:ABS on 19 March 2019.
VIII	Other consultations	Finance

D. TERMS OF REPORT

Background

The 2019/20 proposed HEEPS programme will be the seventh year HEEPS:ABS funding is available to West Lothian Council. The HEEPS:ABS programme has now been successfully managed in-house from January 2016 following the end of the management contract with Changeworks. By May 2019 a total of 1078 privately owned properties will have received EWI through HEEPS funding; whilst an additional 456 WLC properties have received EWI as part of Capital upgrade programmes. Appendix 1 attached summarises where these properties are as well as areas where further investment in EWI will be possible subject to funding being available.

Sources of Funding

HEEPS:ABS brings together several sources of funding in order to deliver the EWI programme to streets of mixed tenure stock. The different funding sources are:

- HEEPS:ABS
- Energy Company Obligation (ECO)
- Warmer Homes Scotland (WHS)
- Home Owners Contribution
- WLC Capital Funding

HEEPS:ABS funding is provided by the Scottish Government to all Local Authorities on an annual basis to deliver energy efficiency improvement works, with a focus on solid wall insulation, to privately owned homes to reduce levels of fuel poverty. Funding is capped at £7,500 for detached/semi-detached homes, £7,000 for terraced homes and £6,500 for flats. Funding cannot be used for a local authority's own stock.

ECO funding is provided by large utility companies (those with over 250,000 customers) to households to install energy efficiency measures in order to reduce CO2 emissions and is a UK Government initiative. ECO funding can be used for any property regardless of tenure.

Warmer Homes Scotland has been developed to provide energy efficiency measures to private households determined to be the most vulnerable to living in fuel poverty. This is separate from the HEEPS:ABS programme, however it is possible for a household to receive grant funding for EWI through this scheme. There is a set of eligibility criteria that households have to meet (see Appendix 2) in order to receive support through Warmer Homes Scotland.

Home Owners are required to pay a contribution toward the works owners of flats / bungalows are charged £525 and owners of houses being charged £1,050, on average, the total cost of the EWI measure is not covered by the HEEPS:ABS and ECO funding alone.

The council's own Capital is used to meet the cost of the works to the council's own stock.

Progress on HEEPS:ABS 2018/19

For 2018/19 the council was awarded £1,093,645 HEEPS:ABS funding which is being used to target privately owned properties of No Fines construction and is being fully spent in:

- **Lenzie Avenue**
- **Kenmore Avenue**
- **Elie Avenue**
- **Jubilee Avenue**

Everwarm Ltd has been awarded the contract to perform the External Wall insulation to the properties and work commenced on site week commencing 8th September 2018.

A total of 120 owners have been offered HEEPS:ABS funding. A further £186,400 is anticipated in Energy Company Obligation (ECO) funding as well as £100,500 in contributions from home owners.

The council has included 235 of its own properties in the project with £1,726,000 budgeted for in the Housing Capital Programme that will be fully spent by March 31st 2019.

Proposed programme for 2019/20

It is proposed to provide any HEEPS:ABS funding the council is awarded to support home owners where the council will be doing EWI to its own households of No Fines construction. In 2019/20 as part of the Housing Capital Programme, a new EWI scheme for council houses will be started in Knightsridge. The focus for HEEPS:ABS funding for 2019/20 should therefore be directed to Knightsridge to achieve economies of scale and continue with the area based approach.

Officers have identified these properties requiring EWI in order to improve their energy efficiency performance in order to achieve compliance with the Energy Efficiency Standard for Social Housing (EESH). A Capital budget of £1.674m for 225 WLC properties has been approved for these works.

Including private home owners in the streets the council will be doing EWI will allow for increased economies of scale to be achieved and allow for more efficient contract management rather than running separate contracts for the same work in different areas.

In order to align this approach with the main focus of HEEPS:ABS, which is to address and reduce levels of fuel poverty, officers have assessed the streets proposed to be included to determine the most vulnerable households to fuel poverty; this is based on information from SIMD, the EPC Register, Council Tax Banding and Home Analytics.

It is proposed to prioritise funding to households in the streets that are identified to have the highest probability of households living in fuel poverty. It is proposed to prioritise funding to streets in the order below:

1. Davidson Way
2. Ferguson Way
3. Fells Rigg
4. Sutherland Way
5. Camps Rigg

It is recommended that the Head of Housing, Customer and Building Services retain delegated powers over the management of the programme for non-substantive changes, following approval of the programme by Council Executive.

Changes to Current Approach

The UK Government has updated Energy Company Obligation (ECO) Scheme known as ECO3. This came into effect from 1st October 2018. The main update to the scheme is to align eligibility criteria with the Affordable Warmth Scheme.

A requirement of HEEPS:ABS is to maximise ECO funding to ensure funding for as many households as possible. Under previous ECO schemes, all households would be eligible for ECO funding by being invited to take part in the council's HEEPS:ABS project. With the changes under ECO3, not all households will be eligible for funding. Due to the more stringent eligibility criteria, the main update to the scheme was an alignment of the eligibility criteria with the Affordable Warmth Scheme (see Appendix 2). This has meant a Statement of Intent has had to be published to allow all home owners to take part in future HEEPS:ABS projects when invited to by the council.

Officers will continue to direct home owners towards Warmer Homes Scotland (WHS) so that those eligible will receive funding through the WHS scheme. By doing so, it is intended to identify those households not eligible for WHS funding so that they can be offered HEEPS:ABS funding and can then contact the council's Advice Shop to register their interest in the scheme. The combined use of these programmes would allow for more households to be offered funding overall.

E. CONCLUSION

The council continues to successfully deliver the HEEPS:ABS scheme to help alleviate fuel poverty in West Lothian and there has been minor changes in the way the scheme is managed in order to maximise the benefit from the funding received. This report is based on the information provided from Scottish Government and on the current situation with regards to HEEPS:ABS which may change.

F. BACKGROUND REFERENCES

Services for the Community PDSP 19 March 2019 – Update on the HEEPS:ABS Programme for 2018/19 and 2019/20

Council Executive October 2018 – Energy Company Obligations (ECO) Scheme Flexible Eligibility Statement of Intent

Services for the Community PDSP September 2018– Energy Company Obligations (ECO) Scheme Flexible Eligibility Statement of Intent

Council Executive February 2018 - Update on Home Energy Efficiency Programmes for Scotland: Area Based Schemes (HEEPS:ABS) 2017/18 and 2018/19

Services for the Community PDSP February 2017 – Update on Home Energy Efficiency Programmes for Scotland: Area Based Schemes (HEEPS:ABS) 2017/18 and 2018/19

Council Executive February 2017 - Update on Home Energy Efficiency Programmes for Scotland: Area Based Schemes (HEEPS:ABS) 2016/17 and SEEP Projects

Services for the Community PDSP February 2017 – Update on Home Energy Efficiency Programmes for Scotland: Area Based Schemes (HEEPS:ABS) 2016/17 and SEEP Projects

Services for the Community PDSP October 2016 – Update on Energy Efficiency Programmes and Proposals

Services for the Community PDSP June 2016 – Update on Energy Efficiency Programmes and Proposals

Council Executive November 2015 Home Energy Efficiency Programmes for Scotland (HEEPS) 2015/16

Council Executive June 2014 Home Energy Efficiency Programmes for Scotland (HEEPS) 2014/15

Services for the Community PDSP April 2014 Home Energy Efficiency Programmes for Scotland (HEEPS) 2014/15

Council Executive March 2014. Home Energy Efficiency Programmes for Scotland (HEEPS)

Services for the Community PDSP April 2013 Home Energy Efficiency Programmes for Scotland

Council Executive February 2015 – Home Energy Efficiency Programmes for Scotland (HEEPS)

Appendices/Attachments: Two

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