

PERTH AND KINROSS COUNCIL

(17/124)

Housing and Health Committee

29 March 2017

Home Energy Efficiency Works

Report by Acting Executive Director (Housing and Community Safety)

PURPOSE OF REPORT

This report summarises progress in providing energy efficiency measures to households in Perth and Kinross during 2016/17. The report also outlines proposals for continuing with further energy saving initiatives and improvements in 2017/18 and asks Committee to endorse the actions taken to secure ECO funding from SSE for the 2017/18 programme.

1. BACKGROUND/MAIN ISSUES

- 1.1 The Housing (Scotland) Act 2001 set a statutory duty on the Scottish Government to eradicate fuel poverty in Scotland, as far as is reasonably practicable, by November 2016. As a result, the Government introduced a range of funding opportunities to help local authorities develop and fund local initiatives to support private home owners and Councils introduce energy efficiency improvements.
- 1.2 Since 2010 the Council has successfully applied for funding totaling £11,459,595 through the Scottish Government's Universal Home Insulation Scheme (UHIS) and Home Energy Efficiency Programme for Scotland – Area Based Schemes (HEEPS-ABS). This funding has been used to insulate a wide variety of house types including 'hard to treat' solid wall and non-traditionally constructed houses throughout Perth and Kinross. This work has helped to improve the energy performance of a substantial number of houses across the area, enabling householders retain heat more effectively and reduce their energy consumption.
- 1.3 The three main drivers of fuel poverty are:-
 - Energy efficiency of the home
 - Household income
 - Energy prices
- 1.4 Our Local House Condition Survey (2015) reported that the areas of Perth and Kinross with the highest rates of fuel poverty are Highland Perthshire (33.5%); Strathearn (31.2%); and Kinross (22.6%). However, the main reason for this is due to large parts of these areas not having access to the mains gas network.

- 1.5 Whilst there was some stabilisation of energy prices during 2015 and 2016, energy companies are now starting to increase their prices again and the high cost of domestic fuel remains a significant challenge for many households. Scottish Power have recently announced an increase of 10.8% to their standard electricity tariff along with a 4.7% increase to their gas prices taking effect from 31 March 2017. N-Power have announced similar increases to their tariffs and it is expected that price rises by more of the energy companies will follow. Whilst much has already been done to assist fuel poor families, further actions are still needed to help offset the effects of these rising costs.
- 1.6 The 2015 Local House Condition Survey included an assessment of compliance with the Energy Efficiency Standard for Social Housing (ESSH). The average energy rating for Council stock is estimated at 70, which was above the Scottish average of 66 for Local Authority housing. 73.4% of the Council's housing stock was considered to be compliant with ESSH.
- 1.7 In May 2015 Committee was presented with a report (Report 15/219) outlining proposals for continuing with further energy saving initiatives in 2015/16 and endorsed actions taken to help secure funding for these schemes
- 1.8 The new Local Housing Strategy (2016-21), which was submitted to Housing and Health Committee in May 2016 (Report 16/234), also outlined various initiatives were aimed at addressing fuel poverty and improving the energy efficiency of homes within Perth and Kinross.

2. PROGRESS UPDATE

- 2.1 A wide range of energy saving measures have already been carried out as part of the Council's ongoing plan to improve energy efficiency and achieve compliance with the ESSH by December 2020.
- 2.2 In the five year period since March 2012 to February 2017, a total of 4,017 Council houses have received upgraded central heating systems (928 of them in 2016/17). Most of these systems include high efficiency gas condensing combination boilers with high output radiators and thermostatic controls or 'Quantum' high efficiency electric heating. New gas connections have been commissioned for 1,512 homes, attracting subsidies of £1,753,907 through Scottish Gas Network's Assisted Connection Scheme.
- 2.3 In addition, 431 houses located outwith the mains gas network have been fitted with new heating that incorporates supplementary energy saving measures like solar water heating, solar photo-voltaic panels or air-sourced heat-pumps.
- 2.4 Since 2012, basic insulation improvements, such as loft insulation top-ups and pipe / tank lagging have been completed in 1,196 Council houses. Specialised 'room in roof' insulation improvements have been carried out to 43 homes where the upper floor rooms of the house are contained within the roof-space. Detailed insulation checks were completed in a further 2,550

homes, where no additional works were found to be necessary. 134 flat roofed houses in the Letham area of Perth have benefitted from insulation upgrades as part of planned re-roofing works and under-floor insulation has also been installed in 31 houses.

- 2.5 New triple glazed windows have now been fitted in 1,392 homes along with insulated, high security exterior doors (769 fitted with windows / doors in 2016/17). The enclosure of communal stairways and landings has also helped to reduce draughts and improve comfort levels within many flatted blocks. New low energy LED light fittings are also helping to reduce energy consumption whilst improving lighting levels in communal areas.
- 2.6 The Energy Company Obligation (ECO) / Home Energy Efficiency Programme for Scotland – Area Based Schemes (HEEPS-ABS) programme started in July 2013 and has specifically targeted ‘hard to treat’ houses of non-traditional construction. This programme is continuing to progress well and more than 1,800 homes (718 Council and 1,091 privately owned or privately rented) have already benefitted from the work. The 2016/17 external wall insulation programme includes works in Coupar Angus, Blairgowrie, Alyth and the Craigie area of Perth. These works will continue through to June 2017. In addition to improving the thermal performance of these houses, their visual appearance has in many cases been significantly enhanced by the newly applied rendering.
- 2.7 Along with the external wall insulation works, basic energy saving measures, such as energy advice, loft insulation and new boilers have been provided for home-owners / private landlords

3. PROPOSALS FOR 2017/2018

- 3.1 The approved Housing Revenue Account (HRA) Capital Investment Programme for 2017/18 contains provision of £1,664,000 for continuing the central heating upgrading programme, £650,000 for extending the triple glazing programme and a further £1,750,000 for other energy efficiency works (mainly comprising insulation upgrades) which will be targeted at the Council’s least energy efficient homes.
- 3.2 A provisional ‘core allocation’ of the Scottish government’s HEEPS-ABS funding of £1,355,487 has been announced for Perth and Kinross Council’s 2017/18 programme.
- 3.3 SSE will continue to provide ECO funding to enable the planned 2017/18 programme of work to be progressed. Since the start of the HEEPS programme in 2013 the agreements with SSE have provided a commitment to contribute ECO funding totalling more than £4,300,000.
- 3.4 By utilising the funding awards from HEEPS-ABS, ECO and contributions from the Council’s HRA Capital Investment Programme (for Council houses only) it is anticipated that External Wall Insulation works will be completed to approximately 300 further ‘hard to treat’ houses during 2017/18. Owner

occupiers and private landlords will continue to receive subsidies from HEEPS-ABS and ECO which will enable works to be carried out at a very low or even free cost.

- 3.5 All works will be completed to the recognised industry standard - PAS 2030 - and will include the cost of ancillary works, such as access scaffolding and moving / relocating satellite dishes. The works are also covered by a 25 year guarantee.
- 3.6 Engagement and participation of owner-occupiers continues to be a critical factor in the successful delivery of mixed tenure projects. Engagement involved a variety of methods, including written and electronic communications, along with door to door visits and locally based public information sessions. The uptake levels of these offers by owners continues to be encouraging.
- 3.7 Perth and Kinross has been selected as a pilot area for the Scottish Government's Heeps Equity Loan Scheme. This scheme enables homeowners to install energy efficiency measures or renewable technologies whilst making essential repairs to the fabric of their home. The loan is secured against the property which means that there are no monthly payments to make. This scheme is likely to be particularly helpful for people on lower incomes with large repair bills and energy bills.
- 3.8 The Council's Energy Advice Project, which is delivered by SCARF (Save Cash and Reduce Fuel) continues to provide advice and guidance to all residents within Perth and Kinross. The range of services offered by SCARF includes advice and help to ensure that householders are on the most suitable energy tariffs and checking to make sure that they are receiving any benefits or discounts that they may be entitled to.

The importance of ensuring that householders are on the correct fuel tariff is of significant value and the Council will continue to work with SCARF and the Energy Suppliers to maximise tariff savings.

4. CONCLUSION AND RECOMMENDATIONS

- 4.1 Energy efficiency works already completed through the Council's housing investment programme and other externally funded schemes have helped to reduce the effects of fuel poverty.
- 4.2 The plans to extend these works during 2017/18 will continue to bring further improvements to 'hard to treat' homes in Perth and Kinross whilst helping to address fuel poverty and ensure that the Council's housing stock meets the Energy Efficiency Standard for Social Housing by December 2020.

4.3 Committee is asked to:-

- (i) Note the range of energy saving measures carried out as part of the Council's plan to improve energy efficiency and achieve compliance with the EESSH by December 2020
- (ii) Endorse the actions already taken to secure ECO funding from SSE for the 2017/18 programme.

Author

Name	Contact Details
John Cruickshank	HCCCommitteeReports@pkc.gov.uk

Approved

Name	Designation	Date
Bill Atkinson	Acting Executive Director (Housing and Community Safety)	16th March 2017

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1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Community Plan / Single Outcome Agreement	Yes
Corporate Plan	Yes
Resource Implications	
Financial	Yes
Workforce	None
Asset Management (land, property, IST)	Yes
Assessments	
Equality Impact Assessment	None
Strategic Environmental Assessment	None
Sustainability (community, economic, environmental)	Yes
Legal and Governance	None
Risk	None
Consultation	
Internal	Yes
External	Yes
Communication	
Communications Plan	Yes

1. Strategic Implications

1.1 The Single Outcome Agreement for Perth and Kinross and the Perth and Kinross Council Corporate Plan 2013-18 have five concurrent outcomes which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. The following are relevant to this report:-

- Promoting a prosperous, inclusive and sustainable economy
- Creating a safe and sustainable place for future generations

2. Resource Implications

Financial

2.1 The financial resources required to deliver the proposals contained in this report will mainly be provided from the Energy Company Obligation and from the Scottish Government's Home Energy Efficiency Programme Scotland – Area Based Schemes programme.

Some elements of the proposals relate to energy efficiency improvements to the Council's own housing stock, which are already contained in the approved HRA Capital budget. The Head of Finance was consulted as part of the Capital Budget setting process which was reported to the Housing and Health Committee on 25 January 2017 in the Housing Revenue Account (HRA) Strategic Financial Plan Incorporating the 5 Year Capital Investment

Programme and Rent Strategy to 2021/22, Reserves Strategy and Other Housing Charges for 2017/18.

The approved budget contains a provision of £1,750,000 in 2017/18, £2,634,000 in 2018/19 and £1,346,000 in 2019/20 for Energy Efficiency works.

Workforce

- 2.2 There are no direct workforce implications regarding this report.

Asset Management (land, property, IT)

- 2.3 The properties included in these proposals contain both privately owned / privately rented homes and HRA housing. These proposals are in accordance with objectives contained in Council's Housing and HRA Asset Management Plan 2012-2017. The works being carried out to Council owned stock will contribute towards the achievement of both the Scottish Housing Quality Standard and Energy Efficiency Standard for Social Housing.

3. Assessments

3.1 Equality Impact Assessment

Under the Equality Act 2010 the Council is required to eliminate discrimination, advance equality of opportunity and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.

The proposals have been considered under the Corporate Equalities Impact assessment process (EqIA) with the following outcome:

- (i) Assessed as not relevant for the purpose of EqIA.

3.2 Strategic Environmental Assessment

The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals. However, no further action is required as the proposals contained in this report do not qualify as a PPS as defined by the Act and it is therefore exempt.

3.3 Sustainability

These proposals meet the following sustainability criteria:-

- Energy conservation through improved insulation measures
- Where possible using materials from sustainable sources
- Re-use of existing resources

3.4 Legal and Governance

The Head of Legal Services has been consulted concerning the contractual agreements with SSE and there are no direct legal implications of this report.

3.5 Risk

TBC

4. **Consultation**

Internal

4.1 The Head of Finance and Support Services and Head of Legal Services have been consulted on this report.

External

4.2 The Tenant Committee Report Panel was consulted about this report and commented that "although targets aren't being met, there are answerable reasons for these. The need to provide tenants with the most economical systems is essential as this also helps towards reducing rent arrears."

5. **Communication**

5.1 Communication with owner-occupiers and tenants affected by these proposals will be undertaken by means of letters, personal home visits and locally arranged open meetings. Local members will be kept advised of schemes in their wards.

2. **BACKGROUND PAPERS**

The following background papers as defined by section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report:-

- Housing Revenue Account (HRA) Strategic Financial Plan Incorporating the 5 Year Capital Investment Programme and Rent Strategy to 2021/22, Reserves Strategy and Other Housing Charges for 2017/18. (article 17/34)
- Perth and Kinross Local Housing Strategy 2016-2021 (article 16/234)

3. **APPENDICES**

None