

The Highland Council
Planning Development & Infrastructure
11 May 2016

Agenda Item	12
Report No	PDI 29/16

Home Energy Efficiency Programmes for Scotland – Area Based Scheme

Report by Director of Development and Infrastructure

Summary

This paper confirms the updated position on the Home Energy Efficiency Programme for Scotland – Area Based Scheme (HEEPS-ABS) in Highland and the move to Scotland's Energy Efficiency Programme (SEEP).

1. Background

- 1.1 The Scottish Government has put in place a scheme to assist householders to install a range of energy efficiency measures. This is to be funded from Energy Company Obligation (ECO) funding, with other supporting funds allocated from the Scottish Government.
- 1.2 The HEEPS-ABS scheme is intended to assist home owners to improve the energy efficiency of their properties and effect energy and cost savings to individuals.
- 1.3 The Council scheme allows householders to access measures that are carried out on an area based format. All areas of the Highlands have been targeted over the course of the scheme.

2. Highland Council Funding

- 2.1 The Council administers and directs the programme, and receives the HEEPS-ABS funds as an annual award. This is then offered to the supplier to provide an ECO contribution and carry out the works.
- 2.2 The Council applies to the Scottish Government for core funding and this is matched by the term supplier (E-On) to provide the total funding to the project. The funding that had been received is as follows:

Year	Core Fund	ECO	Total
2013-14	£1,867,837	£1,430,609	£3,298,446
2014-15	£3,183,019	£2,216,420	£5,399,439
2015-16	£2,679,088	£1,517,448	*£4,196,536
2016-17	£2,053,501	£984,000	£3,037,501

*This includes £300,000 offered over and above the original offer for year 3.

- 2.3 A total of £15,931,922 has been attracted to the Highlands for energy improvements.

3. Highland Area Programme

- 3.1 The Council has a partnering contract in place with E-On to provide ECO contribution to the Council's HEEP-ABS fund and to plan, manage and undertake all suitable works in connection with the programme.
- 3.2 The funding is limited and the criteria for acceptance is as follows:
- the property must be of solid wall construction;
 - heated by either oil, solid fuel or electricity;
 - be privately owned or rented (Holiday Homes are excluded);
 - be within council tax band A, B or C;
 - subject to successful assessment survey; and
 - remote and rural areas with off-gas properties being prioritised.
- 3.3 There have been challenges in gaining properties that can comply with the scheme conditions and a lot of effort has been made to ensure that properties can be included.
- 3.4 The scheme has included properties from areas across the Highlands and has helped to complete zones that were left following completion of previous separate schemes.

Year	No of properties received EWI	No of properties received Cavity Wall
2013 -14	300	0
2014 -15	506	50
2015 -16	345	0
2016 -17	246 programmed	0

- 3.5 The areas that will be targeted in the programme for year 4 are Caithness, Fort William, Aird & Loch Ness, Gairloch, Mallaig and Applecross. This builds on the previous programmes that now cover almost the entire Highland area and Appendix 1 shows the locations of the improvement works from the programme.

4. Scottish Energy Efficiency Programme (SEEPS)

- 4.1 The HEEPS-ABS scheme is to be replaced in 2018 with a new Scottish Energy Efficiency Programme (SEEPS) which will be a partnership working with Local Government to take a more holistic approach to area building emissions and will include both domestic and non-domestic properties.

- 4.2 Scottish Government have called for pilot projects to help determine the inclusions and scope of the SEEP programme and the council have submitted a proposal for Gairloch that builds around the heating replacement to the school and includes a small district heating scheme for the sheltered houses around Seaforth House along with energy monitoring and insulation measures to homes in the area.
- 4.3 The SEEP programme will commence in 2018 and run over 15-20 years. The value is expected to be in the region of £100m to £200m per year and draw in funding from the new Scottish energy company obligation (ECO), taking the full scheme value to be in the region of £4-8bn.
- 4.4 The Council will need to consider preparing for the new programme and analysis will be required to be undertaken to gather details on the opportunity that is available in the Highlands to be ready for the scheme. A fully developed plan will be required to be ready for the initial phases of SEEP and it is proposed that work commences on this as soon as possible.
- 4.5 The Highland SEEP development plan will need to consider what buildings/areas can be included in the programme and what measures can bring the best benefit to each site.

5. Implications

- 5.1 **Resource**
The existing officer team is continuing with the programme to the end of the E- On agreement and there are no further resource issues. Moving to SEEP will require additional resources to be determined and this will be completed as part of the development programme. The HEEPS-ABS programme will fully fund the resource requirements.
- 5.2 **Legal**
There are no legal implications of the scheme.
- 5.3 **Equalities**
The scheme is to offer a parity of measures across the Highlands and will target fuel poor and deprived areas as well as households with elderly occupants.
- 5.4 **Climate Change/Carbon Clever**
The scheme is intended to reduce emissions from the households in Highlands and carbon reductions will help towards tackling climate change and make a significant contribution in developing a **Low Carbon Highlands**.
- 5.5 **Risk implications**
The ability to engage with householders is a risk to a successful undertaking.
- 5.6 **Gaelic**
There are no Gaelic implications.

Recommendation

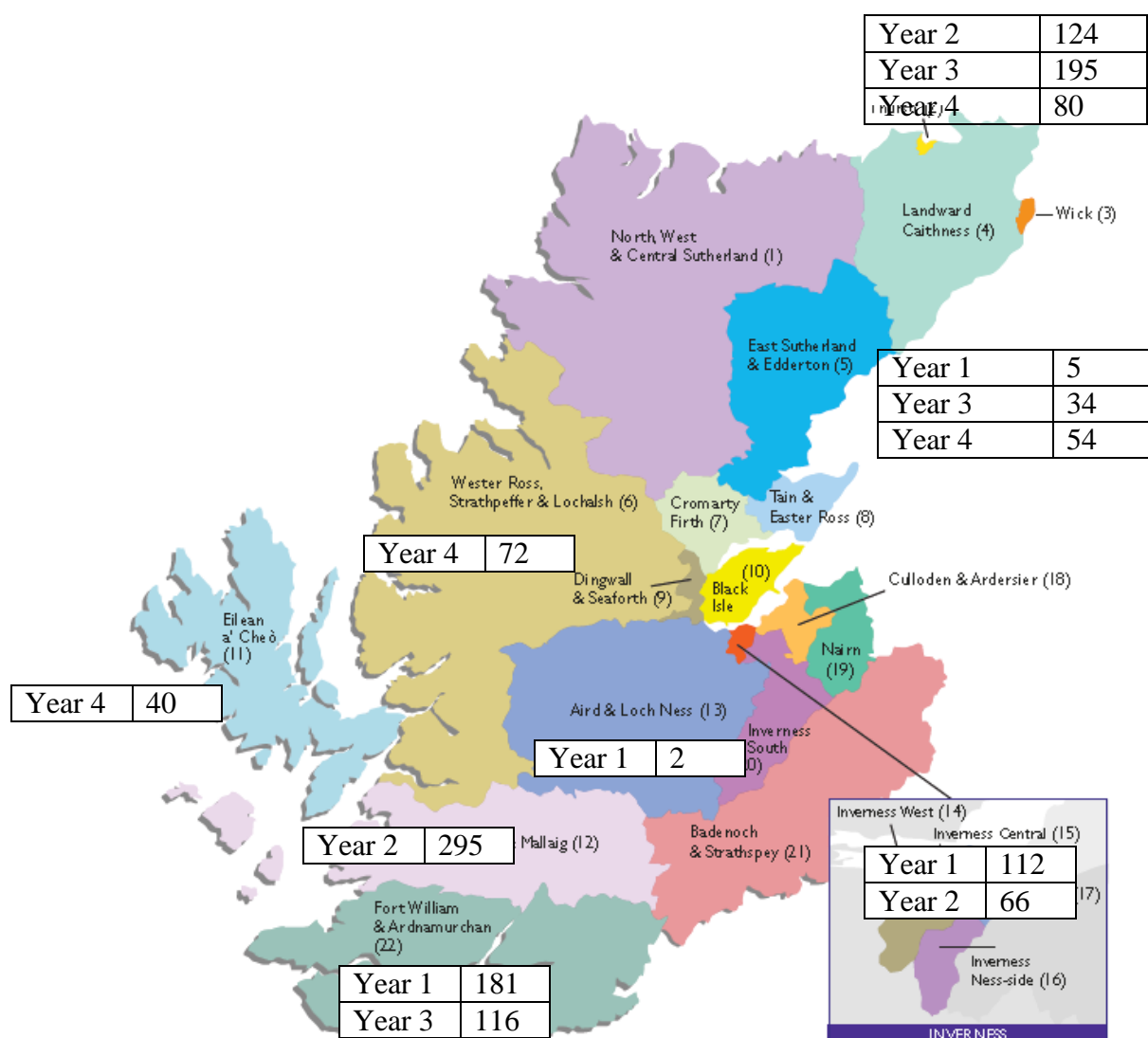
The Committee is asked to approve the development of a Highland plan for Scottish Energy Efficiency Programme.

Designation: Director of Development and Infrastructure

Date: 18 April 2016

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Appendix 1 - Home Energy Efficiency Programme – Area Based Scheme Highland Programme



Year	No of properties received EWI	No of properties received Cavity Wall
2013 -14	300	0
2014 -15	506	50
2015 -16	345	0
2016 -17	246 programmed	0