

Item: 11

Education, Leisure and Housing Committee: 5 February 2020.

Home Energy Efficiency Programme for Scotland: Area Based Schemes.

Report by Executive Director of Education, Leisure and Housing.

1. Purpose of Report

To consider proposed bid for 2020 to 2021 Home Energy Efficiency Programme for Scotland: Area Based Schemes funding.

2. Recommendations

The Committee is invited to note:

2.1.

That, as the Scottish Government has not published guidance for the 2020 to 2021 Home Energy Efficiency Programme for Scotland: Area Based Schemes at this time, there has been no confirmation on the level of funding reserved for Orkney, although expectations are that the figure will be in line with previous years' allocations of approximately £1,300,000.

2.2.

That, from previous experience of the Home Energy Efficiency Programme for Scotland: Area Based Schemes programme, it is anticipated that a bid for funding amounting to £1,000,000 would deliver installations to approximately 150 properties, which would be an achievable scale of project, particularly if other funding, such as Warm Homes Fund and Energy Company Obligation funding is obtained.

It is recommended:

2.3.

That powers be delegated to the Executive Director of Education, Leisure and Housing, in consultation with the Chair and Vice Chair of the Education, Leisure and Housing Committee, to submit bids for Home Energy Efficiency Programme for Scotland: Area Based Schemes funding, on an annual basis, together with any other fuel poverty or energy efficiency funding that may become available as and when funds are opened.

3. Background

3.1.

The Home Energy Efficiency Programme for Scotland: Area Based Schemes is a Scottish Government scheme designed to improve the energy efficiency of private sector housing stock.

3.2.

According to the latest Scottish Housing Condition Survey 2015 to 2017, Orkney has the highest rate of fuel poverty in Scotland at 57%, just ahead of the Western Isles at 56%. While still high, this is a further drop from the highest recorded figure of 65% in 2015. This continued drop in the level of fuel poverty shows the impact the Home Energy Efficiency Programme for Scotland: Area Based Schemes and other projects are having on the energy efficiency of Orkney's housing stock and fuel poverty levels, despite the continued increase in electricity prices.

4. Bid Proposal for 2020 to 2021

4.1.

At the date of writing, the Scottish Government has not published the 2020 to 2021 Home Energy Efficiency Programme for Scotland: Area Based Schemes guidance and because of this, no confirmation has been received on the level of funding the Scottish Government has reserved Orkney in Home Energy Efficiency Programme for Scotland: Area Based Schemes funding for 2020 to 2021, although expectations are that the figure will be in line with previous years and be around £1,300,000.

4.2.

In line with previous years, to access Home Energy Efficiency Programme for Scotland: Area Based Schemes funding, the Council is required to submit a bid to the Scottish Government for Home Energy Efficiency Programme for Scotland: Area Based Schemes funding outlining the Council's proposals for the year ahead.

4.3.

Experience from previous project years show that a realistic Home Energy Efficiency Programme for Scotland: Area Based Schemes funding bid is around £1,000,000. When coupled with the potential for further Warm Homes Fund funding from an upcoming bid, partnering with ReFLEX on the installation of renewable heating systems utilising the Renewable Heat Incentive and Energy Company Obligation (ECO) that is also available via Flexible Eligibility and Affordable Warmth ECO, it is possible that there could be over £2,500,000 in funding available for fuel poverty and energy efficiency works through the Council's Home Energy Efficiency Programme for Scotland: Area Based Schemes programme in 2020 to 2021.

4.4.

It is proposed that delegation be given to the Executive Director of Education, Leisure and Housing, in consultation with the Chair and Vice Chair of the Education, Leisure and Housing Committee, for the submission of bids for HEEPS: ABS and other fuel poverty and energy efficiency funding for 2020 to 2021 and future years.

5. Links to Council Plan

5.1.

The proposals in this report support and contribute to improved outcomes for communities as outlined in the Council Plan strategic priority of Thriving Communities.

5.2.

The proposals in this report relates directly to Priority 3.9 – We will continue to deliver the Fuel Poverty Strategy, to seek to secure appropriate funding and in turn to reduce fuel poverty.

6. Links to Local Outcomes Improvement Plan

The proposals in this report support and contribute to improved outcomes for communities as outlined in the Local Outcomes Improvement Plan priority of Strong Communities.

7. Financial Implications

7.1.

The Home Energy Efficiency Programme for Scotland: Area Based Schemes programme will operate with the Council making payment of grants to eligible households and claiming the expenditure back from the Scottish Government retrospectively.

7.2.

The scheme guidance allows up to 15% of the total cost of the scheme to be spent on administrative and enabling costs, including any fee to a Managing Agent. The Scottish Government has reviewed the programme and the 15% figure is being maintained for 2020/21. For the 2020/21 project year and beyond, the Council will retain 5% of the Home Energy Efficiency Programme for Scotland: Area Based Schemes allocation to help with the Council's costs of running the programme.

8. Legal Aspects

There are no direct legal implications as a result of the recommendations of this report.

9. Contact Officers

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