

**To: Housing and Community Safety Policy Board**

**On: 8 November 2016**

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**Report by: Director of Development and Housing Services**

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**Heading: Housing Energy Efficiency and Carbon Reduction Programmes:  
2016/17 - Update**

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**1. Summary**

- 1.1 On 23 August 2016 the Board approved a report noting the outcome of the application for resources under the Scottish Government's Home Energy Efficiency Programme for Scotland: Area Based Schemes (HEEPS:ABS).
  - 1.2 This report advises members of additional funding for energy efficiency made available through the recently announced Capital Stimulus Programme, as well as the allocation of additional resources in the 2016/17 HEEPS:ABS programme.
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**2. Recommendations**

- 2.1 That the Board;
  - (i) Homologate the decision of the Director of Development and Housing Services to apply for £1,365,700 in terms of the recently announced Capital Stimulus Programme for energy efficiency projects within the Renfrewshire Council area.
  - (ii) Authorise the Director of Development and Housing Services to oversee delivery and operational management of the Capital Stimulus programme and note that a further report will be submitted to the Board confirming the outcome of the application

- (iii) Homologate the action of the Director of Development and Housing Services to apply for additional funding of £762,450 in terms of the HEEPS:ABS programme.
  - (iv) Authorise the Director of Development and Housing Services to oversee delivery and operational management £762,450 that has been awarded for qualifying projects within the Renfrewshire Council area for 2016/17 under the HEEPS:ABS programme and
  - (v) Authorise the Director of Development and Housing Services to utilise £481,000 of HRA capital funding to allow the completion of Council owned properties within the HEEPS:ABS project areas as set out in Appendix 2
  - (vi) Authorise the Director of Development and Housing Services to bid for projects within the Renfrewshire Council area for Scottish Government's HEEPS:ABS programme, should additional funding become available during 2016/17. The outcome of any further applications will be reported to future meetings of this Board
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### **3. Capital Stimulus Programme 2016/17 Funding Opportunity**

- 3.1. On 6<sup>th</sup> September 2016 the Scottish Government announced proposals to make £9M available to assist social landlords in meeting the Energy Efficiency Standard for Social Housing (ESSH), as part of their Capital Stimulus Programme to support and stimulate the economy in the wake of the EU referendum.
- 3.2. The intention of the funding is to bring about spending on additional capital projects which can be undertaken quickly, with the requirement that the spend is undertaken within this financial year. Accordingly, Councils were invited to come forward with projects in order to access the funding and were advised that it was proposed to cap individual offers of funding for each council area to £500,000. Subsequent discussions with officers within Scottish Government indicated bids in excess of this amount could be submitted for their consideration, however, the projects should be ranked in priority order.
- 3.3. The key eligibility criteria were:
  - that the funding is to support the delivery of ESSH through energy efficiency improvements to properties. Installed measures must be ECO eligible, however, applications are not required to have ECO funding
  - projects must be additional and not be part of 2016/17 capital programmes
  - works must be completed by 31<sup>st</sup> March 2017

- councils to engage with social landlords in their area to ensure the opportunity exists for their projects to be included
- 3.4 Councils were required to submit applications by 7<sup>th</sup> October and we submitted an application for £1,365,700 for 11 proposed projects across Renfrewshire, including 9 from social landlords, as detailed in Appendix 1 of this report.
- 3.5 The outcome of the application process will be reported to a future meeting of this Board.
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**4. Home Energy Efficiency Programme for Scotland: Area Based Schemes (HEEPS:ABS) 2016/17 – Allocation of Additional Funding**

- 4.1 The Scottish Government's HEEPS:ABS programme was introduced in 2013/14 with the objective to reduce fuel poverty, reduce carbon emissions and demonstrate an appropriate strategic fit and approach to improving energy efficiency.
- 4.2 As previously noted by this Board on 23<sup>rd</sup> August 2016, Renfrewshire's allocation for 2016/17 was £1,185,582 which will be utilised to deliver external wall insulation in the Gallowhill area.
- 4.3 Local authorities were invited to bid for additional funding which had become available for 2016/17, with submissions required by 31<sup>st</sup> August 2016. We submitted an application for £762,450 to allow the completion of the final phase of works in Gallowhill, as well as contributing to new projects in the Johnstone, Renfrew, Houston, Bridge of Weir and Kilbarchan areas, as detailed in Appendix 2 of this report.
- 4.4 The council was advised on 9<sup>th</sup> September 2016 of the outcome of the application process which confirmed the allocation of an additional £762,450 for HEEPS:ABS projects in 2016/17.
- 4.5 Due to the reduction in the maximum amount of HEEPS:ABS payable per property which was introduced in 2016/17, the level of funding available requires to be augmented by both additional external funding (Energy Company Obligation (ECO)) and a contribution of approximately £481,000 from the Housing Revenue Account (HRA) Capital Programme to allow completion of all social rented properties within these project areas.
- 4.6 It is possible that there may be further opportunities to bid for additional HEEPS:ABS funding throughout this financial year, as the Scottish Government seeks to reallocate funds returned from other local authorities. It is proposed that the Director of Development and Housing Services is authorised to submit bids on behalf of Renfrewshire Council to maximise our opportunities to benefit from any further HEEPS:ABS funding which may become available.
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## Implications of the Report

1. **Financial:** Scottish Government allocation of £762,450 to support owner participation in energy efficiency projects within the Renfrewshire area. £481,000 from HRA Capital Programme which can be met within existing budget allocation
2. **HR & Organisational Development:** None
3. **Community Planning – Community Care, Health & Well-being :** Improving housing conditions benefitting tenants and private owners. Addressing fuel poverty.  
  
**Greener:** Protecting, caring and enhancing the built environment. Reducing carbon emissions.
4. **Legal:** None
5. **Property/Assets:** Improvements in the energy performance of both social rented and private dwellings.
6. **Information Technology:** None
7. **Equality & Human Rights**  
The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety:** None
9. **Procurement:** Variation to existing contract with E:ON UK for the delivery of the 2016/17 HEEPS:ABS projects
10. **Risk:** None
11. **Privacy Impact:** None

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## List of Background Papers

- (a) Report to Housing & Community Safety Policy Board on 23 August 2016 – Home Energy Efficiency and Carbon Reduction Programmes: 2016/17 - Update
- (b) Report to Housing & Community Safety Policy Board on 15 March 2016 – Home Energy Efficiency and Carbon Reduction Programmes: 2016/17

The foregoing background papers will be retained with Development and Housing Services for inspection by the public for the prescribed period of four years from the date of the meeting. The contact officer within the service is Louise Feely, Housing Asset and Investment Manager, 0141 618 6049, [louise.feely@renfrewshire.gov.uk](mailto:louise.feely@renfrewshire.gov.uk)

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## Application for Capital Stimulus Funding

## APPENDIX 1

Project Description	Landlord	Target Number of Privately Owned Properties in Project Area	Target Number of Social Rented Properties in Project Area	Grant Application Amount (£)
Area 1 – Lochwinnoch External Wall Insulation	Renfrewshire Council	20	28	312,000
Area 2 – Glen Street Heating - electric to gas fuel switch	Linstone Housing Association	0	31	93,000
Area 3 – Ferguslie Park Heating – gas boiler renewal	Ferguslie Park Housing Association	0	33	80,850
Area 4 – Bute Drive Heating – gas boiler renewal	Linstone Housing Association	0	3	9,000
Area 5 – Williamsburgh Heating – gas boiler renewal	Williamsburgh Housing Association	0	10	36,000
Area 6 – Erskine External Wall Insulation	Bridgewater Housing Association	23	16	138,000
Area 7 – Lochwinnoch External Wall Insulation	Renfrewshire Council	21	15	234,000
Area 8 – Ferguslie Park Heating – gas boiler renewal	Ferguslie Park Housing Association	0	33	80,850
Area 9 – Williamsburgh Internal Wall Insulation	Williamsburgh Housing Association	0	20	70,000
Area 10 – Paisley South External Wall Insulation	Paisley Housing Association	5	19	156,000
Area 11 – Paisley South External Wall Insulation	Paisley Housing Association	4	20	156,000
<b>Total</b>		<b>73</b>	<b>228</b>	<b>£1,365,700</b>





## Additional HEEPS:ABS Funding Awarded 2016/17

## APPENDIX 2

Project Description	Target Number of Privately Owned Properties in Project Area	Target Number of Social Rented Properties in Project Area	HEEPS:ABS Funding Awarded (£)	Energy Company Obligation (ECO) Funding (£)	HRA Capital Contribution for Social Rented Properties (£)
Area 1 – Gallowhill final phase External Wall Insulation	15	0	112,125	10,000	
Area 2 – Bridge of Weir External Wall Insulation	29	31	216,775	43,200	201,500
Area 3 – Johnstone and Kilbarchan External Wall Insulation	38	33	284,050	51,120	214,500
Area 4 – Renfrew External Wall Insulation	20	10	149,500	21,600	65,000
<b>Total</b>	<b>102</b>	<b>74</b>	<b>£762,450</b>	<b>£125,920</b>	<b>£481,000</b>