

PERTH AND KINROSS COUNCIL**Housing and Health Committee****14 August 2013****HOME ENERGY EFFICIENCY WORKS – NORTH MUIRTON, PERTH****Report by Executive Director (Housing and Community Care)****PURPOSE OF REPORT**

This report provides an update on progress with the Council's plans to deliver home energy efficiency improvements. The Scottish Government has awarded significant grant funding to the Council on the basis of an application which secures Energy Company Obligation (ECO) funding commitment from Scottish & Southern Electric Plc to deliver insulation works to Council tenants and privately owned homes. This report updates the Housing & Health Committee on the plans to carry out insulation works to houses in the North Muirton area of Perth.

1. BACKGROUND / MAIN ISSUES

- 1.1 Proposals for carrying out insulation improvements to 'hard to treat' homes were reported and considered by the Housing and Health Committee on 29 May 2013 (article 13/251 refers).

The report outlined proposals for utilising funding from the Scottish Government's Home Energy Efficiency Programmes Area Based Schemes (HEEPS-ABS) and the Energy Company Obligation (ECO) to help pay for insulating both Council owned and privately owned homes.

- 1.2 A bid for HEEPS-ABS funding has since been approved by the Scottish Government and an offer of grant amounting to £1,216,881 was announced on 13 June 2013. The grant was awarded on the basis that the Council had also secured ECO funding from SSE plc to help pay for insulation measures to privately owned and privately rented houses as well as the Council's own housing stock.
- 1.3 The first phase of these works commenced on 8 July 2013 in the Hillyland area of Perth where 159 'no fines concrete' houses are now being fitted with externally applied wall insulation. This work will benefit 119 Council tenants and 40 home-owners.
- 1.4 All of the works being carried out through this programme are aimed at addressing fuel poverty and reducing carbon emissions.

2. PROPOSALS

- 2.1 The second phase of the programme involves proposals to fit externally applied wall insulation to timber framed houses in the North Muirton area of Perth.

- 2.2 Due to the nature of their construction, these houses cannot be insulated using traditional low cost insulation measures (such as cavity wall insulation).
- 2.3 This proposal (which has been estimated to attract as much as £3,408,476 of ECO funding from SSE and £680,244 of HEEPS-ABS funding) from the Scottish Government will offer free or heavily subsidised insulation measures to assist private owners and private landlords to participate in the scheme. The exact offer that will be made to owners will depend upon the type of existing heating and the size of their house. These factors significantly affect the amount of carbon savings that can be achieved and will determine the level of grant that can be applied. Owners will also be advised on how to make use of the green deal loan scheme to help them participate.
- 2.4 It has been estimated that approximately 300 private home-owners will take up the offer to participate in the scheme; however, until a full programme of engagement has been undertaken in the community, the precise numbers remain unknown at this stage. All of the Council's 389 timber framed homes have been included in the proposals. The contribution from the Council's HRA capital investment programme has been estimated at £1,295,053 giving an average unit cost of £3,329.19 per house. External wall insulation would normally cost approximately £11,000 for a 2 bedroom semi-detached property.
- 2.5 The works are to 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 etc. The works will also be covered by a 25 year guarantee. Loft insulation and pipe / tank insulation / draught-proofing etc., will be undertaken where required.
- 2.6 This report is an update on the planned works specific to North Muirton. Under delegated powers the Executive Director (Housing and Community Care) has accepted SSE's offer to provide ECO funding and fit the insulation measures described above to the 389 timber framed Council houses in, North Muirton, Perth, The full extent of the work to be carried out will be dependent on the uptake from private owners.

The Council's procurement team have been consulted concerning these proposals and are satisfied that SSE's offer is acceptable.

3. CONCLUSION AND RECOMMENDATIONS

- 3.1 There is good potential for households within North Muirton to benefit from the energy saving measures being offered through, HEEPS-ABS, ECO and Green Deal. The timescales for complying with these offers are very challenging and it will be necessary to act quickly to maximise the benefits from these schemes in 2013/14.

3.2 It is recommended the Committee:-

- (i) Notes the actions taken to secure ECO funding subsidies from SSE plc and the acceptance of their offer to carry out insulation works to 389 timber framed Council houses in North Muirton, Perth at a cost of £1,295,053, which is estimated to attract as much as £3,408,476 of ECO funding from SSE and £680,244 of HEEPS-ABS funding.
- (ii) Notes the grant award of funding amounting to £1,216,881 which has been received from the Scottish Government's new Home Energy Efficiency Programme Scotland – Area Based Schemes which will also be used to assist private owners and private landlords to participate in local energy efficiency programmes.
- (iii) Instructs the Executive Director (Housing and Community Care) to report back on progress with Green Deal Programmes to future Committee meetings.

Author(s)

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Approved

| Name | Designation | Date |
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| David Burke | Executive Director (Housing & Community Care) | 2 August 2013 |

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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 | None |
| 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 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 Housing Revenue Account (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 6 February 2013 in the Housing Revenue Account (HRA) Strategic Financial Plan Incorporating the 5 Year

Capital Investment Programme and Rent Strategy to 2017/18, Reserves Strategy and Other Housing Charges for 2013/14. (article 13/56 refers). The approved budget contains a provision of £1,546,000 in 2013/14, £849,000 in 2014/15 and £1,700,000 in 2015/16 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 homes and HRA housing. These proposals are in accordance with objectives contained in Council's Housing and HRA Asset Management Plan 2012-2017.

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 Programme Policy or Strategy 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 and there are no direct legal implications of this report.

3.5 Risk

The Housing & Community Care Senior Management Team regularly review the HRA Capital Investment Programme to scrutinise progress of each programme and project, highlight risks and take appropriate action to mitigate should they arise.

4. **Consultation**

Internal

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

External

- 4.2 No external parties have been consulted in the preparation of this report

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. The Convener, Vice Convener and local ward elected members will be copied into correspondence and dates of public meetings.

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 2017/18, Reserves Strategy and Other Housing Charges for 2013/14. – 6 February 2013 (article 13/56 refers)
- Energy Efficiency Works 2013/14 – 29 May 2013 (article 13/251 refers)

