



West Lothian
Council

COUNCIL EXECUTIVE

HOME ENERGY EFFICIENCY PROGRAMMES FOR SCOTLAND (HEEPS) 2015/16

REPORT BY HEAD OF HOUSING, CONSTRUCTION AND BUILDING SERVICES

A. PURPOSE OF REPORT

To advise Council Executive of the funding awarded to West Lothian for 2015/16 for home energy efficiency measures in private sector housing.

B. RECOMMENDATION

It is recommended that Council Executive:

1. Notes the allocation of funding of £1,082,475 to West Lothian for 2015/16 under the government's Home Energy Efficiency Programme for Scotland (HEEPS);
2. Notes a further £12m is available to councils that are able to show they can spend more than their initial allocation and agree that the council should bid for a share of this additional funding;
3. Notes that Changeworks has been appointed as the managing agent for the West Lothian HEEPS programme for 2015/16 and are currently finalising the bid setting our expenditure proposals for Scottish Government approval;
4. Notes that the council's bid has to be submitted to Scottish Government by 20 February 2015 and that the outcome of the bid for a share of the additional funding should be known around 23 March 2015;
5. Agrees that the bid should focus on those areas listed in section D.2 of the report and given the imminent deadline for the submission of the West Lothian HEEPS bid that the final content of the West Lothian bid is delegated to the Head of Housing, Construction and Building Services in consultation with the Leader of the Council and Executive Councillor for Services for the Community;
6. Agrees that the council should submit a bid to Scottish Government for a share of the Green Homes Cashback funding for social landlords when bids are invited so that the number of council houses that benefit from the installation of energy efficiency measures can be increased; and
7. Agrees that the council will develop capacity to manage the West Lothian HEEPS programme in-house from 2016/17.

C. SUMMARY OF IMPLICATIONS

I	Council Values	Focusing on our customers' needs; being honest, open and accountable; providing equality of opportunities; making best use of our resources; working in partnership
II	Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment)	none
III	Implications for Scheme of Delegations to Officers	none
IV	Impact on performance and performance Indicators	Will assist in improving the energy efficiency of the general housing stock
VI	Resources - (Financial, Staffing and Property)	Government funding of £1.13m was allocated to West Lothian for HEEPS in 2013/14 and £1.723m in 2014/15. Part of the 14/15 funding is available to be used by the council to appoint temporary staff to manage and develop the scheme on behalf of the council.
VII	Consideration at PDSP	The Services for the Community PDSP was advised of the funding allocated to West Lothian on 20 January 2015.
VIII	Other consultations	None

D. TERMS OF REPORT

D.1 Background

West Lothian Council has taken advantage of available funding for energy efficiency since 1996. This funding has come from many schemes and the funded outcome requirements have varied over the years, but can be summarised as having funded cavity wall insulation, loft insulation, draught proofing, water tank insulation and reflective radiator panels.

The West Lothian Local Housing Strategy 2012-2017 recognises the importance of Fuel Poverty and Climate Change, and House Condition and includes a number of specific actions aimed at improving energy efficiency and sustainability of the housing stock.

The key objectives of the Home Energy Efficiency Programmes for Scotland: Area Based Schemes (HEEPS:ABS) are;

- To reduce fuel poverty
- To reduce carbon emissions
- To encourage Energy Company Obligations (ECO) in Scotland and
- To support the local economy and sustainable local economic development

In March 2014 Council Executive approved arrangements for using the 2013/14 funding. These were;

- Identified area based insulation projects in West Lothian primarily in Broxburn, Bathgate and Armadale, Polbeth, Fauldhouse and Whitburn and Livingston South.
- External Wall Insulation work in the Howden area of Livingston as part of a project established by Almond Housing Association.
- A feasibility study on the provision of a gas supply to the village of Westfield.

Keepmoat were appointed to implement the area based insulation works and Everwarm were appointed to implement the External Wall Insulation work in Howden. Scottish Gas Networks (SGN) have been appointed to carry out the Westfield study and a programme for this is awaited.

In June 2014, Council Executive approved arrangement for allocating the 2014/15 funding.

The projects in 2014/15 included area based projects in Armadale, Whitburn, Deans and Breich and West Lothian wide loft and cavity insulation. The proposals also included external wall insulation (EWI) projects in Howden, Deans and Armadale.

D.2 Allocation for 2015/16

On 12 December 2014, Scottish Government confirmed that West Lothian is to receive £1,082,475 in 2015/16 for area- based schemes to tackle fuel poverty and improve the energy efficiency of private sector housing stock. A copy of the letter received from Scottish Government is attached as Appendix 1.

A further £12m is available for councils that are able to show they can spend more than their initial allocation. Council Executive is asked to agree that the council should bid for a share of the additional funding that is available. In previous years, the council has successfully bid for a share of additional resources made available.

Details of how the council intends to allocate the HEEPS funding requires to be submitted to Scottish Government by 20 February 2015.

The council's managing agent for HEEPS during 2013/14 and 2014/15 was Changeworks. They developed detailed proposals, carried out the procurement for contractors and monitored the works during implementation. A tendering process has been completed to secure a managing agent for 2015/16 and Changeworks was appointed as the successful contractor on 23 January 2015 and are preparing the West Lothian bid.

The final content of the bid is currently being finalised but it is proposed that the bid will focus on the following areas:

- 1) Armadale: This would be a continuation of the scheme approved in 2014/15 and will result in measures being provided in an estimated further 87 houses, around 13 of which will be West Lothian Council houses. External wall insulation will be installed in an estimated 65 houses and loft insulation installed in around 22 houses. The proposed share of the HEEPS: ABS core funding is £399,512.
- 2) Dedridge: This is a new scheme and will result in measures being installed in an estimated 50 houses, around 29 of which are owned by West Lothian Council. External wall insulation will be installed in an estimated 38 houses and loft insulation installed in around 12 houses. The proposed share of the HEEPS:ABS core funding is £277,421.
- 3) Howden (Almond): This would be a continuation of the scheme approved in 2013/14 and 2014/15 and will result in measures being provided in an estimated 72 houses, a number of which are owned by Almond Housing Association. External wall insulation will be installed in an estimated 54 houses and loft insulation installed in around 18 houses. The proposed share of the HEEPS: ABS core funding is £405,494.
- 4) The proposed bid includes a proposal to complete the Howden (Almond) area by seeking £494,743 from the additional £12m funding that has been announced. The outcome of the bid for additional funding should be known around 23 March 2015. Once the outcome of the proposed additional funding bid is known, the bid will be revised and re-submitted to Scottish Government for final sign off.

It is also proposed that part of the 2015/16 is used by the council to appoint temporary staff to develop and manage the scheme and plan ahead in detail for future years. It is also recommended that the council develops capacity to manage the HEEPS programme in-house from 2016/17.

On 29 January 2015, the council agreed its three year Housing Capital Programme. This includes additional resources being identified for energy efficiency measures, including an allocation of £588,000 for external wall insulation over three years. This budget will ensure that the energy efficiency of council houses can be improved in streets where HEEPS funding is being used to improve the energy efficiency of private sector homes. By linking the council's external wall insulation budget with the HEEPS programme, the council will benefit from economies of scale and ensure that its investment in its existing stock is carried out in a cost efficient way.

It is anticipated that there will be an opportunity later in the year for social landlords to apply for funding from the Green Homes Cashback Scheme for energy efficiency measures to be implemented in 2015/16. It is recommended that the council submits a bid to obtain a share of this funding when bids are invited. If the council is successful with a bid, the number of council houses that will benefit from the installation of energy efficiency measures will be increased from the number currently planned.

The bid also outlines proposals that the council will wish to consider for HEEPS funding in 2016/17. It is proposed to continue with measures in Armadale and Dedridge and to consider starting new schemes in Longridge and Pumpherston in areas where there are no fines houses which are hard to treat.

Given the imminent deadline for the submission of the West Lothian HEEPS bid, Council Executive is asked to agree that the final content of the West Lothian bid is delegated to the Head of Housing, Construction and Building Services in consultation the Leader of the Council and Executive Councillor for Services for the Community and to agree that the bid should focus on the areas listed above.

E. CONCLUSION

There remains significant opportunities offered by the HEEPS:ABS funding primarily for private sector housing. From a council point of view it is better to be involved in the process, particularly in setting the strategic direction for this funding.

Some of this work in private sector housing is being aligned with the council's investment in its own housing stock particularly in mixed tenure housing estates. There is substantial national funding available to help meet the Scottish Government's policies and targets on sustainable housing. The HEEPS:ABS funding and proposals are the initial stages in what is seen by government as a long term ten year investment plan.

There are opportunities to develop an ongoing programme of investment in West Lothian housing stock over the coming years.

F. BACKGROUND REFERENCES

Council Executive June 2014 Home Energy Efficiency Programmes for Scotland (HEEPS) 2014/15

Services for the Community PDSP April 2014 Home Energy Efficiency Programmes for Scotland (HEEPS) 2014/15

Council Executive March 2014. Home Energy Efficiency Programmes for Scotland (HEEPS)

Services for the Community PDSP April 2013 Home Energy Efficiency Programmes for Scotland

Universal Home Insulation Scheme (UHIS) Funding Allocation from Scottish Government Council Executive May 2012

West Lothian Local Housing Strategy 2012-2017. Council Executive February 2012

Appendices/Attachments: One

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