



REPORT TO: HOUSING AND COMMUNITY SAFETY COMMITTEE ON 27 JUNE 2023

SUBJECT: INFORMATION REPORT ON MORAY HOME ENERGY EFFICIENCY PROGRAMME

BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND FINANCE)

1. REASON FOR REPORT

- 1.1 This report provides the Housing and Community Safety Committee with details of progress on the Moray Home Energy Efficiency Programme.
- 1.2 This report is submitted to Committee in terms of Section III G (2) of the Council's Scheme of Administration relating to the exercise of all the functions of the Council as a housing authority.

2. BACKGROUND

- 2.1 The Energy Efficient Scotland programme (EES:ABS formerly known as HEEPS:ABS) is a Scottish Government initiative to tackle fuel poverty by improving the energy efficiency of existing private sector homes. The programme offers grant-in-kind with a focus on alleviating fuel poverty. The cost of the measures to households is discounted by a combination of Scottish Government grant and Energy Company Obligation (ECO) funding provided by utility companies. Only private sector households are eligible for HEEPS funding but ECO is available to all tenures, including council housing.
- 2.2 Since 2013/14, the Scottish Government has provided the Council with an annual funding allocation for the EES:ABS for energy efficiency and carbon reduction measures to homes in Moray. Details of the last 5 years allocations are provided below:

2018/19	£1.453m
2019/20	£1.436m
2020/21	£2.128m
2021/22	£1.914m
2022/23	£1.842m

Over the years, the Moray HEEPS programme has generally spent all, or almost all, of its budget allocation.

- 2.3 On 7 December 2021, Committee was provided with details of the HEEPS ABS programme for during 2019/20/21 (Para 8 of the Minute refers).
- 2.4 The Scottish Government’s guidance on the scheme expects that programmes will take a “fabric first” approach and will focus mainly on insulation measures. During 2013/14 to 2021/22, the Moray programme has delivered measures to over 1,700 properties as shown below:

Year	Private sector	Council	Grampian Housing Assoc	Total
2013/14	293	43	0	336
2014/15	152	53	0	205
2015/16	135	0	0	135
2016/17	128	33	0	161
2017/18	96	11	10	117
2018/19	222	331	0	553
2019/20	70	48	0	118
2020/21	100	10	0	110
2021/22	0	0	0	0
Total	1,196	529	10	1,735

The UK Government’s Flexible Eligibility Scheme allows councils to secure higher levels of ECO funding for energy efficiency improvements to households at the highest risk of fuel poverty and “vulnerability to cold”. The Council has produced a Statement of Intent (Sol) which provides details of the households in Moray, which are eligible for “LA-flex”. The key criteria are a combination of household income/qualifying welfare benefits and the type of construction of the property. The Council’s Sol is published on its website at www.moray.gov.uk/StatementofIntent.

MORAY HEEPS:ABS PROGRAMME 2019/20 – 2020/21 OUTTURN

- 3.1 The Scottish Government’s EES:ABS guidance requires councils to target their delivery programmes to households most likely to experience fuel poverty, specifically those living in Council Tax bands A-C properties.
- 3.2 Changeworks were appointed as managing agent to the EES:ABS programme on 3 November 2021. The agent is required to provide an end to end service from identifying and engaging with targeted householders; procurement of contractors; to quality assurance, monitoring, evaluation and reporting. The agent provides the resource and expertise required to procure and deliver a multi-measure programme involving specialist contractors, and provide specialist advice and support to householders. The agent will continue to use the Energy Saving Trust’s Home Analytics database as the primary source of data to target properties at greatest risk of fuel poverty. There is an opportunity to identify Council owned properties of similar

construction where HRA funded works might be delivered in conjunction with EES:ABS works in a tenure-neutral manner.

- 3.3 There is an opportunity for households to self-refer and those who do not qualify are signposted to Home Energy Scotland’s helpline for advice.
- 3.4 The Council’s proposals for the 2021/22/23 programme sought to continue delivery of IWI to properties of stone construction, but for the first time, introduced cavity wall insulation, including extraction of degraded cavity wall insulation and refill, installation of airsource heat pumps and/or photo voltaic solar panels (PV) with battery storage.
- 3.5 IWI involves adding a layer of insulation boarding to the inside of the external walls. The IWI programme focusses on pre-1930 and period properties with a stone facing external appearance, which, for planning and heritage reasons, are not considered suitable for EWI. Due to the cost, time and disturbance involved in removing fixtures and fittings, kitchen and bathroom areas are excluded from the scope of works. Similarly, period details such as cornicing and fireplaces are excluded from the scope of works. Routine decanting is not required and, in general, works can be completed within 4 days.
- 3.6 There was a significant underspend on the 2021/22 grant allocation due to COVID and subsequent supply chain issues. Only 3% of the 2021/22 grant allocation was been spent. However a great deal of preparatory work was completed allowing significant delivery to being using 2022/23 grant allocation.
- 3.7 The following measures were delivered over the 2 year programme. There is potential for multiple measures per property.

Measure	2021/22		2022/23*		Total
	Council	Private	Council	Private	
IWI	0	0	0	17	17
EWI	0	0	0	0	0
Cavity	0	0	11	15	26
PV/Battery	0	0	120	142	262
ASHP	0	0	120	12	132

*projected

4. MORAY EES:ABS PROGRAMME 2023/24

- 4.1 On 22 March 2021, the Scottish Government advised that the Council’s EES:ABS offer of grant would be £1.769m. The Government have issued revised guidance associated with this funding, and advise that the target group for measures should continue to be fuel poor households in greatest need of assistance.
- 4.2 The Council’s 2023/4 EES:ABS proposals for use of this funding allocation, submitted to the Government on 5 June 2023, set out a programme of works

to properties across Moray. The primary focus of the programme will be on insulation measures and a “fabric first” approach, with a secondary focus on “zero carbon first” through heating measures and microgeneration, where feasible and where it will result in reduced fuel poverty. EES:ABS funding should help secure an EPC rating of C or better by 2030 for all eligible homes.

4.3 The planned outputs for the 2023/24 programme are as follows:

Measure	Private sector	Council	Total
IWI plus ASHP/Solar PV/Battery storage	50	0	50
CWI plus ASHP/Solar PV/Battery storage	67	0	67
Total	117	0	117

IWI = internal wall insulation
 CWI = cavity wall insulation
 ASHP = air source heat pump
 PV = Solar photovoltaic panels

Qualifying Criteria and Customer Contributions

4.4 The measures in the 2023/24 programme will continue to be targeted to households most likely to be experiencing fuel poverty, living in properties within Council Tax bands A-C. The qualifying criteria are available on the Council’s website at www.moray.gov.uk/EESABSQualifyingCriteria.

4.5 Home owners will be expected to accept installation of all the measures required to bring their property up to the required EPC rating of C or as close to it as technically possible. Where the EES:ABS grant does not cover the full cost, households will be required to make up the difference from their own resources. Partial measures will not qualify for the scheme. Owners seeking to raise funding for their contribution will be directed to the Scottish Government’s EES Loan Scheme. This Scheme offers homeowners interest-free loans to help them meet the cost of measures.

5. ENERGY ADVICE SERVICES

5.1 The EES:ABS funding allocation makes provision for a small proportion of funds to be used for enabling activities. Some of this activity is delivered in the form of local energy advice services. Since 2018/19 officers have provided funding to the Keith-based Rural Environmental Action Project (REAP) to provide energy advice services to householders to include home visits. This activity will complement the services available via Home Energy Scotland (HES), which does not include home visits. REAP and HES have a well-established cross-referral arrangement providing advice and support on energy supplier switching, energy saving and fuel debt advice, access to emergency/hardship grants, as well as signposting to provision of insulation measures, on a tenure-neutral basis. Funding to REAP will continue up to November 2023.

6. SUMMARY OF IMPLICATIONS

- (a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**
Addressing poverty and promoting healthy communities is a key priority of the Corporate Plan and the 10 Year Plan. Delivery of the HEEPS:ABS programme will contribute to the achievement of this priority, as well as contributing towards corporate carbon reduction targets by helping reduce energy consumption from domestic buildings.
- (b) Policy and Legal**
Part 4 of the Climate Change (Scotland) Act 2009 places duties on public bodies relating to climate change. Moray Council has declared a Climate Change Emergency and has published a Local Heat and Energy Efficiency Strategy (LHEES). Delivery of the EES:ABS programme will contribute to the achievements of these aims.
- (c) Financial implications**
The report provides details of progress in delivering energy efficiency measures to housing stock in Moray, including Council houses, funded from external sources, mainly the Scottish Government's Energy Efficient Scotland programme (EES:ABS formerly known as HEEPS:ABS). Any ECO funding secured for Council properties will help reduce expenditure on energy efficiency measures from Housing Revenue Account.
- (d) Risk Implications**
There are no risk implications arising from this report.
- (e) Staffing Implications**
There are no staffing implications arising from this report.
- (f) Property**
This report provides details of improvements carried out to Council houses to meet statutory standards of energy efficiency.
- (g) Equalities/Socio Economic Impact**
The energy efficiency proposals set out in this report will be targeted to the homes of fuel poor and older person households.
- (h) Climate Change and Biodiversity Impacts**
The aims of the EES:ABS programme are closely aligned to the Council's Local Housing Strategy, Climate Change Strategy, and Local Heat and Energy Efficiency Strategy (LHEES).
- (i) Consultations**
None.

8. CONCLUSION

8.1 This information report provides details of progress on the delivery of the Moray Home Energy Efficiency Programme.

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