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**Report to: Housing, Health and Care Committee**

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**Date of Meeting: 23 August 2012**

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**Subject: Energy Efficiency Initiatives**

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**Report by: Head of Facilities Management**

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## **1.0 Purpose**

- 1.1. This paper is written to update Members on the uptake of opportunities that have arisen to upgrade housing stock with grants available from utilities providers. The grants have been available only in geographical areas identified as CESP areas (Community Energy Saving Programme) of Clackmannanshire. CESP areas are identified as those with low average incomes.

## **2.0 Recommendations**

- 2.1. The Committee is asked to:
- a) note the progress of a programme that will significantly add to the energy efficiency of the housing stock in 2012 and
  - b) agree that a further report be submitted to Council to draw forward up to £200k from the 2013/14 energy efficiency funding allocated in the HRA Capital Plan to make best use of the available grant funding in 2012/13.

## **3.0 Considerations**

- 3.1. The Council has a clear energy efficiency strategy and various initiatives are already underway within the Council housing stock:
- cyclical upgrading of electric heating and older gas boiler systems with new "A" rated gas central heating systems; and
  - all properties to comply with the SHQS by 2015 including a minimum of 100mm loft insulation.
- 3.2. Despite the strategies and investment above the Council programmes are some years away from maximising the energy efficiency of the housing stock. The SHQS standards are relatively low in terms of energy efficiency compared to those expected in a new build property. Maximising energy

efficiency is something that has been expressed as a priority from representatives of the Tenants Federation in developing the new HRA Business Plan.

- 3.3. In the current year (2012/13) the Council has contracts already underway to upgrade some 250 gas central heating systems including electric to gas installations. In addition at Bowmar the project to over clad 170 houses and install new central heating will be completed in year.
- 3.4. In the early part of the year utility companies identified that they could not meet their carbon offsetting targets (eg British Gas have effectively purchased the improvement in the carbon emissions in the Bowmar project in return for their effective 50% capital grant funding of the project). This led to a number of utility companies approaching the council for projects to grant fund.
- 3.5. Officers in Community and Regulatory and Facilities Management have combined to seek the best grant offers possible and developed corresponding works programmes to allow the Council and tenants to benefit from the available grant funding.
- 3.6. This has led to the following opportunities from Scottish & Southern Electricity (SSE):
  - identification of 600 inefficient gas and electric centrally heated properties that are planned to be upgraded in future years in CESP areas being offered replacement the systems by the end of 2012, Council financial contributions to the works being from savings in existing funding. This approximately £1.6m expenditure is grant funded to a total of £1.4m;
  - 110 no-fines concrete Council properties in Carseview being overclad with thermal insulation significantly improving the thermal performance of the properties. This £1m expenditure is 100% grant funded; and
  - 111 no-fines concrete private properties (previously Council purchased under right to buy) at Carseview being offered thermal overcladding at no cost to the owner or Council.
- 3.7. These works are focussed by SSE on the areas categorised as CESP areas. The opportunity of similar funding in non CESP areas at this time is not available. Significantly the saving the Council will make in doing these works now will benefit both the tenants immediately in terms of reduced energy bills and the HRA capital plan in the long term.
- 3.8. This opportunity is considered a one-off and one that is unlikely to be repeated. FM and housing are progressing this opportunity by:
  - a) Commissioning the works and accepting the grants;
  - b) Engaging with the Tenants' Federation and individual tenants; and
  - c) Recruiting adequate temporary staff to project manage the works.

#### Progress

- 3.9. Central heating upgrade works commenced in June and as of week ending 3 August 140 systems had been upgraded. Contracts are in place to complete the work in the available window of 2012.

- 3.10. Reviewing databases and eligible properties has identified a further 97 properties that require upgrading and are eligible for grant funding. The grant funding, subject to survey, can contribute up to 90% of the cost of the installation. There also has been a high tenant take up of the offer of new central heating (in the past there sometimes is a reluctance due to the disruption) and as a result it may be necessary to bring forward to 2012/13 up to £200,000 of allocated energy efficiency funding from approved funding in the 2013/14 HRA Capital Plan to make best use of the available grant offers.
- 3.11. Thermal overcladding at Carseview commenced in the third week of July with a programme to complete by December 2012.

#### **4.0 Sustainability Implications**

- 4.1. The environmental impact of these works will be to reduce the carbon footprint of the properties. The Housing stock is the major contributor to the Carbon Foot print in Clackmannanshire in terms of Council owned assets.

#### **5.0 Resource Implications**

##### *Financial Details*

- 5.1. The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate.

Yes ✓

The full financial implications of the grant funding at time of awarding contracts was:

- 100 currently HRA capital funded central heating systems in CESP areas obtained a windfall £200,000 in grant funding;
- the initially planned 600 inefficient gas and electric centrally heated properties - the use of the £200,000 saving above will be the Council contribution to the works (works value £1.6m, approximate grant value £1.4m);
- the thermal overcladding is 100% grant funded for both Council and owner occupier properties.

Full life cycle costs of maintaining the central heating and cladding in the houses are accommodated within the existing HRA business plan.

Since the commencement of the works a total of 697 eligible properties requiring central heating have been identified and with this increase high tenant uptake and some grant eligible works not being required, it is requested that provisionally £200,000 is brought forward from approved energy efficiency funding in the HRA Capital Plan (from a 2013/14 total of £690,000) to make best use of the available grants on offer.

- 5.2. Finance have been consulted and have agreed the financial implications as set out in the report.

Yes ✓

### 5.3 Staffing

Work required to progress this opportunity is being assisted by the employment of a number of temporary staff

### 6.0 Exempt Reports

6.1. Is this report exempt? Yes  (please detail the reasons for exemption below) No

### 7.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) **Our Priorities** (Please double click on the check box )

- The area has a positive image and attracts people and businesses
- Our communities are more cohesive and inclusive
- People are better skilled, trained and ready for learning and employment
- Our communities are safer
- Vulnerable people and families are supported
- Substance misuse and its effects are reduced
- Health is improving and health inequalities are reducing
- The environment is protected and enhanced for all
- The Council is effective, efficient and recognised for excellence

(2) **Council Policies** (Please detail)

### 8.0 Equalities Impact

8.1. Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?

Yes  No

### 9.0 Legality

9.1. It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes

### 10.0 Appendices

10.1. Please list any appendices attached to this report. If there are no appendices, please state "none".

## 11.0 Background Papers


11.1. Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes  (please list the documents below) No

### Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Stephen Crawford	Head of Facilities Management	Extension : 2533

### Approved by

NAME	DESIGNATION	SIGNATURE
Stephen Crawford	Head of Facilities Management	
Garry Dallas	Director of Services to Communities	