

ANGUS COUNCIL

COMMUNITIES COMMITTEE – 24 MAY 2016

HOME ENERGY EFFICIENCY PROGRAMME FOR SCOTLAND – GRANT BID 2016/17

REPORT BY HEAD OF PLANNING AND PLACE

ABSTRACT

This report advises of a bid for a grant award from the Scottish Government through the Home Energy Efficiency Programme: Area Based Schemes (HEEPS:ABS) to tackle fuel poverty and increase energy efficiency in private sector homes.

1. RECOMMENDATIONS

It is recommended that the Committee:

- (i) notes the successful award to Angus of £1,238,054 for 2015/16;
- (ii) homologates and supports the Angus Council bid of £1,117,600 for 2016/17 for which confirmation of award is awaited from the Scottish Government; and
- (iii) in the event that the bid is successful, approves a mini-tender under the Council's existing HEEPS:ABS framework agreement and to issue contract award(s) to the successful tenderer(s) as appropriate.

2. ALIGNMENT TO THE ANGUS COMMUNITY PLAN / SINGLE OUTCOME AGREEMENT / CORPORATE PLAN

2.1 This report contributes to the following local outcomes contained within the Angus Community Plan and Single Outcome Agreement 2013-2016:

- We have a sustainable economy with good employment opportunities.
- Angus is a good place to live in, work in and visit.
- Our communities are developed in a sustainable manner.
- Our natural and built environment is protected and enjoyed.
- Our carbon footprint is reduced.

3. BACKGROUND

3.1 In recent years there has been very significant investment in the upgrading of Council and Registered Social Landlord (RSL) stock to meet the Scottish Housing Quality Standard and address issues of fuel poverty. In the light of this investment, it is considered that fuel poverty and related issues of stock dis-repair and poor housing quality are much more prevalent in relation to owner occupied and private-rented housing in Angus. This can include former Council and RSL stock sold-off under the Right-to-Buy legislation which consequently has not benefited from the investment mentioned above.

3.2 In addition to upgrading private sector housing, some areas of Angus have difficulties with the upgrading of Council and RSL stock, where the sale of stock under the Right-to-Buy legislation has created mixed-tenure terraces and blocks of flats. In these instances if homeowners or private landlords are unwilling or unable to pay for the upgrading of their property, it can also prevent the upgrading of adjoining Council and RSL stock.

- 3.3 In March 2016, Angus Council was invited to bid for an allocation of funding from the Scottish Government for area based schemes to tackle fuel poverty and improve the energy efficiency of Scotland's housing stock. This grant is available only to private owners/landlords and is also dependant on drawing in funding of ECO (Energy Company Obligation). A decision whether the grant application of £1,117,600 has been successful is expected from the Scottish Government during May 2016.
- 3.4 Our targeting of specific areas of Angus for HEEPS:ABS has been informed by a range of data sources. These include the 2012 Scottish Index of Multiple Deprivation (SIMD) at Datazone level, plus 2012 CACI household income data at Intermediate Geography level. Data from the Energy Saving Trust's (EST) Home Energy Efficiency Database (HEED) system and Home Analytics database has also been used, and local knowledge of issues of poor housing quality and fuel poverty has played a part.
- 3.5 Properties in the private sector both rented and owned require maintenance to ensure they do not fall below tolerable standard and meet the Scottish Core Standards for Accredited Landlords. It is vital that we help property owners to maintain their properties in good repair, and keep them in use, preventing increases in un-met housing need.
- 3.6 Angus HEEPS:ABS 16/17 aims to target owner occupied and privately rented properties in the Borrowfield, Montrose estate and Threewells, Forfar estate which both consist entirely of properties of a no-fine, solid wall construction and therefore all properties within this cohort of stock would benefit from upgrading with External Wall Insulation (EWI). Following the Warm Angus 2014/15 & 2015/16 campaigns, a significant customer base / interest has been established within these areas so this bid will continue the improvements already carried out.
- 3.7 Furthermore, Angus Council is looking at utilising a small proportion of HEEPS:ABS funding to complement our 2016/17 EWI programme for private owners in mixed tenure terraces or blocks of flats which are preventing us upgrading our adjoining stock. Our 16/17 capital programme will target properties requiring EWI in Angus which are hard to treat. This will cover the Montrose, Brechin, Kirriemuir, Forfar and Arbroath areas.

4. CURRENT POSITION

- 4.1 Angus Council has already commissioned a tendering exercise for HEEPS:ABS which was undertaken by the Scottish Government Energy Saving Trust on behalf of the Council to procure a framework of contractors providing: economies of scale, competitive rates and flexibility. This process was carried out through an OJEU process in 2014/15 with an option to extend for a further two years.
- 4.2 Should the funding application be approved by the Scottish Government, the contractual mechanism proposed is a mini-competition on the existing Framework Agreement with a maximum of three successful bidders to be selected.

4.3 Contract Evaluation on Award Basis

In line with Communities Committee report no. 325/14, following a mini tender from the Framework in place, completed tenders returned to the Council shall be evaluated and the contract will be awarded on the basis of the most economically advantageous tender, on a mix of quality and price. The price/quality split applied will be 50/50 in accordance with Financial Regulation 16.14.2. The broad quality evaluation criteria and weightings will be (1) project delivery – 17.5%, (2) ECO funding accessibility – 12.5%, (3) customer service/household support – 12.5% and (4) local economic benefit/sustainability – 7.5%.

5. PROPOSALS

- 5.1 The end result is to use as much of the funding that we can successfully secure as possible for the benefit of Angus residents and to help to meet the targets for carbon saving and energy efficiency.
- 5.2 HEEPS:ABS 2016/17 grant funding will have many economic benefits for Angus in terms of employment opportunities and construction industry activity, as well as substantial numbers of

Angus householders in privately owned or rented accommodation who would see their fuel bills reduce and the quality of their homes increase.

6. FINANCIAL IMPLICATIONS

6.1 Costs associated with the preparation and monitoring of the project will be staff time only.

NOTE: No background papers, as detailed 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.

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