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## **ENERGY EFFICIENT SCOTLAND: AREA BASED SCHEMES (EES:ABS) PROGRAMME UPDATE**

**Report by Executive Director Corporate Improvement and Economy**

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### **Sustainable Development Committee**

**5th March 2021**

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#### **1 PURPOSE AND SUMMARY**

- 1.1 This report seeks to provide an overview and update on the local Energy Efficient Scotland: Area Based Scheme (also known as EES:ABS).**
- 1.2 The Local Housing Strategy (LHS) 2017-2022 is the Council's key strategic document for planning and delivering initiatives to reduce fuel poverty and improve home energy efficiency. Priority 2 of the LHS is that "More people live in good quality, energy efficient homes".
- 1.3 The key delivery channel for addressing fuel poverty and improving domestic energy efficiency is the Energy Efficiency Scotland: Area Based Scheme (EES:ABS) This has been the cornerstone of both the Scottish Government's and Local Authority's energy efficiency improvements for private domestic properties since 2013.

#### **2 RECOMMENDATIONS**

- 2.1 **I recommend that the Committee:-**
  - (a) Notes the progress made in delivering the Energy Efficient Scotland: Area Based Scheme (EES:ABS) in the Scottish Borders.**

#### **3 ENERGY EFFICIENT SCOTLAND: AREA BASED SCHEME BACKGROUND**

- 3.1 In 2013 the Scottish Government launched the Home Energy Efficiency Programme for Scotland: Area Based Schemes (HEEPS:ABS). The programme is now known as Energy Efficient Scotland: Area Based Schemes (EES:ABS). The programme supports private tenure households in fuel poverty to install energy efficiency measures. This helps tackle fuel poverty and the poor energy efficiency of private housing.

- 3.3 The programme replaced previous government schemes that had primarily focussed on low cost measures such as Cavity Wall Insulation (CWI) and Loft Insulation (LI). A grant funding allocation is made available annually for local authorities to develop and deliver these programmes in areas they identify as having high fuel poverty. The Scottish Government has indicated long term support for the Area Based Schemes in the Energy Efficient Scotland Route Map.
- 3.4 Programmes typically include the installation of external and internal wall insulation as well as cavity wall insulation however the scope of eligible measures is now widening. In the last year Scottish Borders Council has introduced decarbonisation and renewable technology in the form of Air Source Heat Pumps (ASHP) and Solar Photovoltaic and battery storage (PV Battery) to the programme.
- 3.5 Since 2013 the EES:ABS scheme has delivered energy efficiency measures to around 87,000 households across Scotland and during the period 2013 to 2019/20 allocations to local authorities totalled £374 million.

#### **4 ENERGY EFFICIENT SCOTLAND: AREA BASED SCHEMES (EES:ABS) IN THE BORDERS**

- 4.1 EES: ABS programmes require innovative project design in order to identify areas in need of household insulation improvement and households in fuel poverty. This requires the Council to use strong and effective partnerships and available resources such as fuel poverty data, mapping, the Home Analytics tool and local knowledge.
- 4.2 EES:ABS in the Scottish Borders initially focused on External Wall Insulation (EWI) and Hard to Treat Cavities (HTTCs) as it was understood from available data that the majority of low cost measures (loft and cavity wall insulation) would already have been installed. For EWI projects in mixed tenure blocks/areas this resulted in a number of social landlord upgrades that would previously have been difficult or impossible to complete.
- 4.3 More recently the nature of the region's housing stock has resulted in an increased focus on Internal Wall Insulation (IWI), particularly as identified homes suitable for EWI and HTTC have been completed. Using available data Officers are able to identify which properties have received retrofit insulation and using data on Energy Performance Certificate (EPC) banding, SBC can identify potential properties for decarbonised heating installations, particularly for properties off gas.
- 4.4 Specific property archetypes of the Scottish Borders and the region's rurality present both challenges and opportunities. A large number of properties are off the gas grid and so may be particularly suitable for decarbonisation of their heating for example replacing an oil system with ASHP.
- 4.5 EES:ABS will continue with a fabric first approach, particularly Internal Wall Insulation (IWI) as this is appropriate for much of the housing stock within the Scottish Borders where we have large numbers of older solid walled

properties while looking to integrate this with innovative renewable technology in line with carbon net zero targets.

## 5 IMPACT OF ENERGY EFFICIENT SCOTLAND: AREA BASED SCHEMES (EES:ABS) IN THE BORDERS

5.1 It is generally accepted that there are four contributory factors to fuel poverty:

- The energy efficiency and heating systems of the home;
- Fuel prices;
- Income of the household;
- Behavioural (how people live within their home/use their heating)

Energy efficiency schemes have worked directly to help address the first point. Increasing the energy efficiency of homes will have a positive impact on fuel bills given the reduced energy use to achieve the same heating regime.

**Table 1: Fuel Poverty in the Scottish Borders (Scottish House Condition Survey)**

|                  | 2010-12   | 2011-13   | 2012-14   | 2013-15   | 2014-16   | 2015-17   | 2016-18   |
|------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|                  | Fuel Poor |
| Scottish Borders | 34%       | 43%       | 39%       | 38%       | 34%       | 31%       | 29%       |
| Scotland         | 27%       | 36%       | 35%       | 34%       | 31%       | 27%       | 25%       |

5.3

5.2 SBC work closely with agencies such as Home Energy Scotland to ensure those accessing the programme are supported to address the other drivers of fuel poverty. Advice is offered on household behaviours relating to energy use in the home as well as sign posting for support on switching energy tariffs and income maximisation. SBC's [Affordable Warmth and Home Energy Efficiency Strategy](#) sets out the strategic and holistic approach to increasing affordable warmth and delivering energy efficiency improvements within the Scottish Borders.

5.2 A monitoring and evaluation programme has recently been introduced to the SBC EES:ABS programme to report on the outcomes and impact on households supported. The evaluations will be carried out using a range of technical monitoring data (temperature, humidity, and energy consumption) as well as social evaluation questionnaires looking at areas which cannot be explored with data alone such as the impact on managing energy bills and comfort within the home. The monitoring and evaluation report for the 2017/18 programme has not yet been published but can be made available on request.

5.2 The Energy Efficiency Scheme also has important wider impacts on households and local communities including:

- improvements in householder health and wellbeing;
- decreases in fuel bills
- decreases in energy consumption and carbon emissions;
- reduction in fuel poverty likelihood and prevalence;
- investment in the local community;
- reduction in local unemployment; and
- Improvement of local skill sets and experience.

5.3 One of the benefits of the EES:ABS is stimulation of the local economy through increased employment. This is often quite difficult to monitor and directly attribute to schemes but has resulted in trades being employed from the local community such as joiners, electricians, plumbers, and satellite TV engineers.

5.4 Community benefits are a feature of the tenders prepared to appoint EES:ABS contractors and during 2019-20 SBC have been engaging contractors on how this could be delivered by supporting Scottish Borders College and how training, materials and work experience could be provided to their students. Discussions and plans are still at an early stage and any successful outcome will be recorded in future reports.

5.3 Over the period April 2013 to December 2020 SBC has secured **£13.6m** in funding to deliver the programmes. £10.6 million has been Scottish Government EES:ABS grant funding allocation and £3m in Energy Company Obligation (ECO) funding.

**Table 2: Summary of outputs April 2013-December 2020**

| <b>SUMMARY</b>                |             |
|-------------------------------|-------------|
| Measures installed            | 4,353       |
| Households supported          | over 3,500  |
| Annual Financial Savings      | £521,540    |
| Lifetime Financial Savings    | £20,811,240 |
| Annual CO2 Savings (Tonnes)   | 2,060       |
| Lifetime CO2 Savings (Tonnes) | 16,585      |

5.4 For the 2020/21 programme (expected to complete in December 2021) SBC have been allocated over £1.7m, a record allocation for the Borders. The anticipated measures, fuel bill and Co2 savings are detailed in table 3.

**Table 3: Anticipated EES:ABS programme for 2020/21**

| Description                           | 2020/21           |
|---------------------------------------|-------------------|
| EES:ABS Funding                       | £1,770,000        |
| ECO Funding                           | TBC               |
| <b>Total Funding</b>                  | <b>£1,770,000</b> |
| External Wall Insulation (Solid Wall) | 30                |
| Hard to treat CWI (CWI Solution)      | 88                |
| Internal Wall Insulation (Solid Wall) | 50                |
| Air Source Heat Pump                  | 39                |
| PV & Battery                          | 39                |
| <b>Total Measures</b>                 | <b>246</b>        |
| Annual Financial Savings (£)          | £23,360           |
| Lifetime Financial Savings (£)        | £904,320          |
| Annual CO2 Savings (Tonnes)           | 94                |
| Lifetime CO2 Savings (Tonnes)         | 715               |

- 5.5 **Impact of Covid-19:** In the financial year 2019-20 SBC were awarded £1.34m in EES:ABS funding. The Covid-19 pandemic has had a significant impact on the programme's delivery due to the restrictions put in place to help prevent the spread of the virus. No installations were able to take place between March and July 2020 and following the nationwide lockdown restrictions remained on works taking place inside people's homes. It was still possible to install 100 of the planned 278 energy efficiency measures supporting over 75 households. £550,000 of the £1.34m grant allocation was drawn down over that period.
- 5.6 SBC and the appointed EES:ABS contractors will continue to follow Scottish Government guidelines and advice, adhering to construction sector best practice to ensure that employees and householders are always protected. Current restrictions in place have limited EES:ABS activity to external works only. As such only EWI and HTTC can progress and all other work has been paused.

## 5 IMPLICATIONS

### 5.1 Financial

- (a) There is no direct financial implication contained in the report. However delivery of the programme is dependent on SBC's continuous provision of core services, financial resource allocations from Scottish Government and resources arising from partner agencies and private individuals.

### 5.2 Risk and Mitigations

- (a) Delivery of the Energy Efficiency Programme's aims and objectives is largely dependent upon a number of variables, not least of which relate to resource and other political and organisational decision making processes beyond the control of the Local Authority.

### 5.3 Integrated Impact Assessment

- (a) A full Equality Impact Assessment was carried out on the current LHS (2017-2022). Equalities forms an integral part of the LHS process and form part of the LHS guidance. The Energy Efficiency Programme is monitored and reported on through the Local Housing Strategy reporting process.
- (b) A full Integrated Impact Assessment will be embedded in the development process of the new Local Housing Strategy and this will include consideration of the Energy Efficiency Programme.

**5.4 Acting Sustainably**

It is considered that there are no direct economic, social or environmental effects arising from the report recommendations.

**5.5 Carbon Management**

It is considered that there are no direct effects on the Council’s carbon emissions arising from the report recommendations. There are likely to be positive effects through fuel poverty and energy efficiency outcomes.

**5.6 Rural Proofing**

The LHS 2017-22 has been rural proofed and it is anticipated there will be no adverse impact on the rural area from implementation of its objectives. There is likely to be a wide range of positive outcomes for rural communities, including improvements in health and fuel poverty levels. In addition many of the innovative new technologies being used such as ASHP and battery storage are likely to directly benefit rural areas.

**5.7 Changes to Scheme of Administration or Scheme of Delegation**

There are no changes to be made to the Scheme of Administration or Scheme of Delegation as a result of this report.

**6 CONSULTATION**

6.1 *The Executive Director (Finance & Regulatory), the Monitoring Officer/Chief Legal Officer, the Chief Officer Audit and Risk, the Service Director HR & Communications, the Clerk to the Council and Corporate Communications are being consulted and any comments received will be incorporated into the final report.*

**Approved by**

**Rob Dickson  
Executive Director Corporate  
Improvement and Economy**

**Signature .....**

**Author(s)**

| Name             | Designation and Contact Number   |
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**Background Papers:** Energy Efficiency Scotland: Area Based Schemes Overview  
Paper February 2021

**Previous Minute Reference:**

**Note** – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Donna Bogdanovic can also give information on other language translations as well as providing additional copies.

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