

Home Energy Efficiency Programmes

Energy Efficient Scotland

Delivery Report 2018/2019



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Introduction

The Scottish Government is committed to reducing fuel poverty and improving the energy efficiency of housing in Scotland. The Home Energy Efficiency Programmes for Scotland (HEEPS) Launched in April 2013.

This is the 6th annual summary report of our HEEPS programme. The report focuses on the outcomes achieved from the 2018/2019 programme and also provides an overview of progress since 2013.

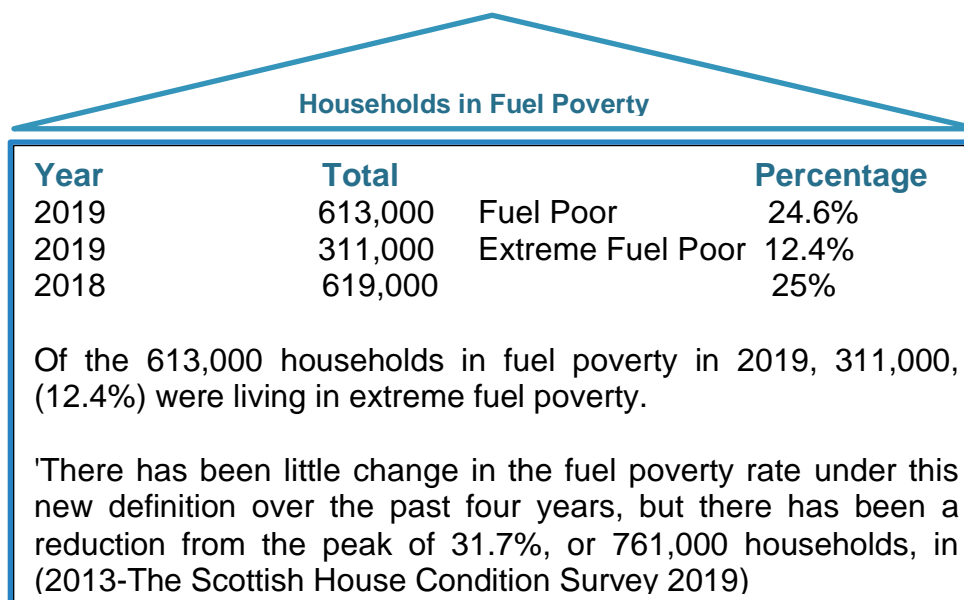
Details on delivery through schemes prior to HEEPS and previous Programme reports are available on the Energy Saving Trust website:

<https://energysavingtrust.org.uk/>

The individual HEEPS schemes are designed to work with other energy efficiency programmes by blending funding, such as the Energy Company Obligation (ECO). This aims to maximise the opportunities available to households and local authorities and enables delivery of higher numbers of, or more expensive projects.

The Fuel Poverty (Targets, Definition and Strategy) (Scotland) Act 2019 received Royal Assent on 18th July 2019 and included a new definition of fuel poverty based on advice from an independent panel of experts and further scrutiny and amendment by the Scottish Parliament. Best estimates of the new definition from the Scottish House Conditions Survey 2019 (Published December 2020)¹ indicate:

Fig: 1



¹ Further details of the new definition and estimates can be found in the survey report at <https://www.gov.scot/publications/scottish-house-condition-survey-2019-key-findings/>. These data are not comparable with information in previous HEEPS Delivery Reports which were based on the previous definition.

Summary of Delivery in 2018 / 2019

Fig: 2

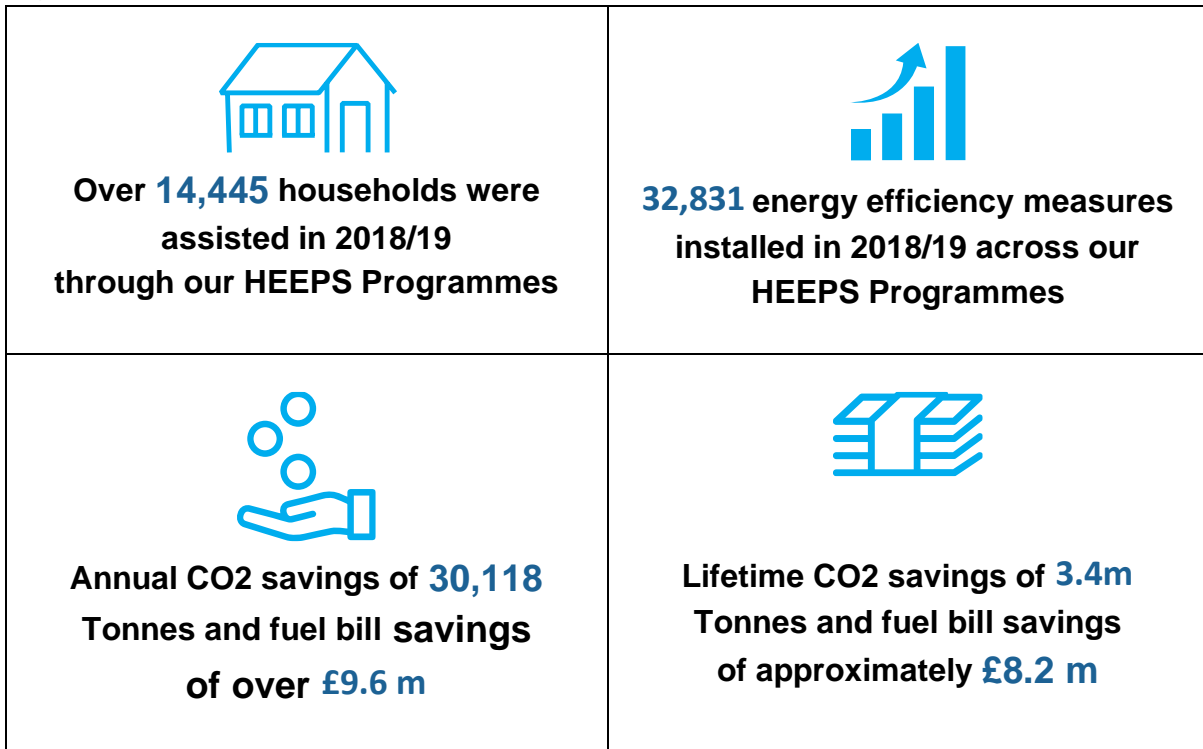
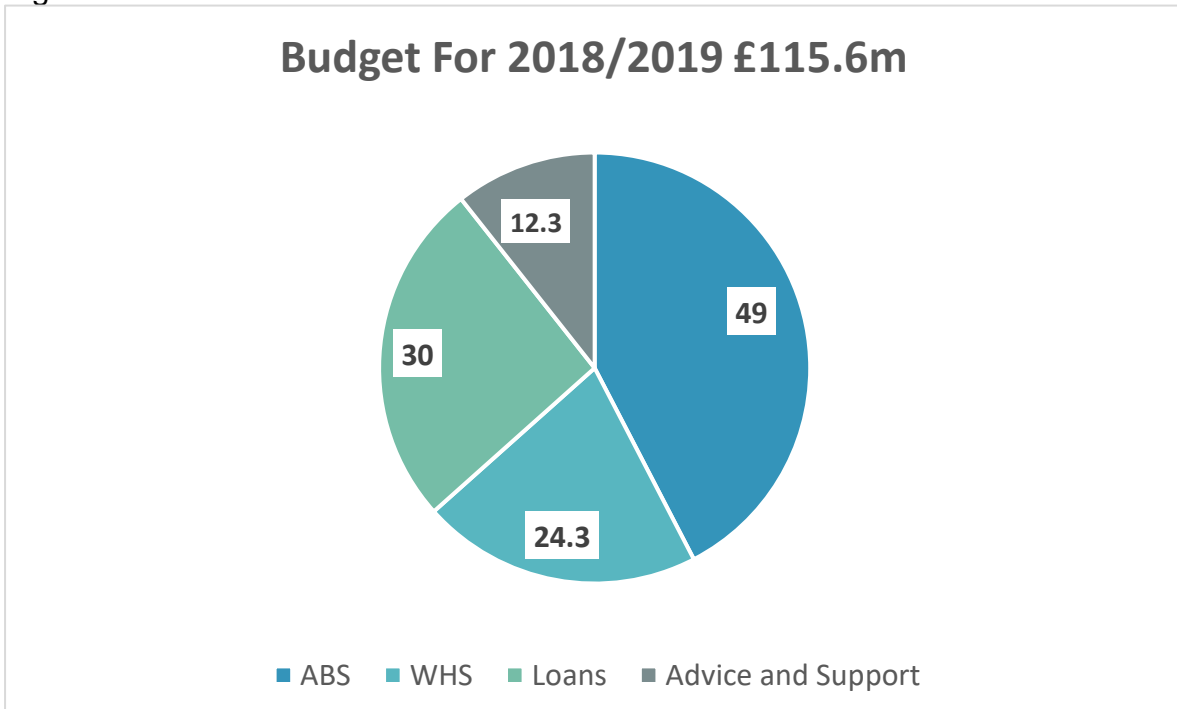


Fig: 3



2018/19 ABS Budget £49m

HEEPS: Area Based Schemes (HEEPS:ABS)

In line with recommendations from the Fuel Poverty Forum, the majority of Scottish Government’s budget for fuel poverty and energy efficiency programmes is directed at Area Based Schemes (HEEPS: ABS).

Delivery (HEEPS:ABS)

The Home Energy Efficiency Programmes for Scotland: Area Based Schemes (HEEPS: ABS) are designed and delivered by Local Authorities, in combination with utility companies and local delivery partners. It is primarily an insulation programme delivering solid wall and hard-to-treat cavity wall insulation.

HTT properties typically have narrower cavities, are of non-traditional construction or are more than three storeys high. These features add to the complexity and cost of carrying out work of this nature. 975 measures (79%) of cavity wall insulation carried out through HEEPS:ABS during 2018/2019 was for HTT properties.

Each Local Authority is expected to use a range of sources of information to target households that meet the criteria: properties within the LA area with the lowest levels of energy efficiency and/or highest levels of fuel poverty.

Fig: 4

Enabling funding is provided to local authorities to assist in developing schemes, engage with householders and to contribute towards the cost of scaffolding etc.

MEASURES DELIVERED BY AREA BASED SCHEMES	
2018 / 2019	
Solid Wall Insulation	6511
Cavity Wall Insulation	1228
Internal Wall Insulation	745
Other Insulation	556
Loft Insulation	347
Heating	14
External Wall (Park Home)	8
Total Measures	9409
Total Households	8938

HEEPS:ABS funding often 'unlocks' larger mixed tenure schemes where a mix of social and private sector properties are involved. Local authorities provide information updates to the Scottish Government as the programmes progress.

Large numbers of households receiving cavity wall insulation live in properties deemed hard-to-treat.(HTT) This means that they cannot be filled using the same methods as standard cavity walls.

2018/19 WHS Budget £24.3m

Warmer Homes Scotland (HEEPS: WHS) is the second element of HEEPS and offers fabric measures (such as insulation) as well as heating measures to improve the energy efficiency of the Scottish housing stock and to sustainably reduce fuel bills.

Delivery (WHS)

Warmer Homes Scotland is the Scottish Government’s national fuel poverty scheme. As a key part of the Home Energy Efficiency Programmes for Scotland, it is at the forefront of the Scottish Government’s efforts to tackle fuel poverty by providing home energy efficiency measures to households who are living in, or at risk of living in, fuel poverty. The scheme achieves this by providing measures, including insulation, heating and micro-generation, to those households who are most in need of help to heat their homes.

Warmer Homes Scotland takes a ‘whole house’ approach to energy efficiency, often installing multiple measures to ensure homes are warmer and more affordable to heat. More than 40 measures are available under this scheme including new energy efficient boilers combined with thermostatic heating controls, Air Source Heat Pumps, Solar PV and loft and cavity insulation.

The scheme is being delivered on a regional basis by Warmworks (including a separate Islands region) to ensure that all households, including those living in more remote parts of Scotland, get the same level of service.

The 2018/19 annual review of Warmer Homes Scotland is available on the Scottish Government website:

<https://www.gov.scot/publications/warmer-homes-scotland-programme-annual-review-2018-19/>

Fig: 5

MEASURES DELIVERED BY WARMER HOMES SCOTLAND	
2018 / 2019	
Heating Systems	3419
Other Measures	17636
Solid Wall Insulation	87
Other Insulation Measures	693
Average Annual Fuel Savings (H/H)	£313
Total Measures	21835
Total Households	3818

2018/19 Loans budget £30m

HEEPS LOANS

HEEPS Loans schemes are open to all households across Scotland, helping to deliver a range of energy efficiency measures.

Delivery: HEEPS Loans

HEEPS Area Based Scheme (ABS) loans is an interest free loan to support householders with their contributions towards the cost of grant funded insulation measures delivered through the Scottish Governments HEEPS ABS programme.

Home Energy Scotland (HES) Loans launched in May 2017 offering owner occupiers and some private sector landlords interest free loans of up to £15,000 per property, for the installation of a variety of eligible energy efficiency measures such as solid wall insulation, double-glazing or a new boiler.

HEEPS Warmer Homes Scotland (WHS) loans is an interest free loan available to qualifying homeowners and private sector tenants who are identified as living in or at risk of fuel poverty and who are required to pay a contribution towards the costs of installation measures such as, insulation, heating and micro-generation measures.

Registered Social Landlords (RSL) Loans offer interest free loan funding of up to £1 million to RSLs to support the installation of energy efficiency measures for their stock. The scheme is open to all eligible social landlords in Scotland. Successful applications covered bids for funding the installation of solid wall insulation or

hard to treat cavity wall insulation and/or energy efficient heating systems to assist them in achieving the Energy Efficiency Standard for Social Housing.

The HEEPS Equity Loans

The HEEPS Equity Loan is a pilot programme designed to help homeowners and private landlords make energy improvements and repairs to their properties. Energy Saving Trust is partnering with Care and Repair to deliver this scheme, and Care and Repair have been on hand to support householders throughout the process. The Equity scheme opened on 4th January 2017 and operated in Glasgow City, Argyll & Bute, Perth & Kinross initially, but was extended to Dundee, Stirling, Inverclyde, Renfrewshire and The Western Isles.

Fig:6

HEEPS Loans 2018 / 2019	
Area Based Scheme (ABS) loans	
Referrals	602
Application Forms issued	564
Loans Offered	338
Home Energy Scotland (HES) loans	
Householders who received loans	947
Measures Installed	1224
Warmer Homes Scotland (WHS) loans	
Application Forms Issued	7
Total Value of Loans Offered	£13,875
Registered Social Landlords (RSL) Loans	
Social Landlords who received loans	3
Measures Installed	550
HEEPS Equity Loans	
Customer Enquires Received	513
Application Forms Issued	90
Loans Offered	25

NB: There are loans committed in 2018/19 outstanding and could still be paid for measures installed (March 2021)

HEEPS Advice and Support Budget: £12.3 m

HEEPS Advice and Support Delivery by Home Energy Scotland (HES)

It is recognised that alongside funding for physical measures, we also need to ensure householders are guided through the choices available to them.

HES provides free and impartial advice on energy efficiency measures to all householders in Scotland including advice on schemes they may be eligible for.

can provide tailored advice for an individual's own home;

- can assist householders through the complaints process of Government energy efficiency schemes;

- offers every caller a free benefits check to ensure householders are receiving all the help and support they are entitled to.

This initiative has unlocked a total calculated increase in income from Benefits Check of £7,499,114 over the whole term of this contract;

- provides a community liaison service to join up with other service providers to reach the most vulnerable people in the community.

- has developed an online referral portal to enable seamless referrals from external stakeholders to HES. The portal also allows Stakeholders to track progress with customers.

Home Energy Scotland also offers an impartial supplier-switching support service delivered through a partnership with the social enterprise Citrus Energy. Citrus Energy identifies the best energy supply deal for the customer from the widest range of energy suppliers and completely manages the switching process from start to finish.

Projected) Average saving per customer switching Energy supplier £255 (Citrus Energy)

Fig: 7

HEEPS ADVICE AND SUPPORT 2018 / 2019	
Households in contact about Home Energy Efficiency Programmes for Scotland	£30,920
Take-up of offers of help	
• Households	21,774
• People in households	44,194
Energy saving advice (households)	23,459
Income maximisation referral (people)	202
Energy cost reduction referral (WHD)	1,756
Benefit Calculator Signposting	8,363
Energy supplier switching referral (Citrus)	1,848
Area-based (HEEPS-ABS) referrals (households)	3,563
Other obligated supplier scheme referral including HHCRO (households)	147
Warmer Homes Scotland referrals (households)	5,653
WHS referrals reinstated Warmorks	0
WHS referrals reinstated by EST on appeal	247

Carbon and Fuel Bill Savings-

Our HEEPS schemes operate within a broader landscape of energy efficiency programmes operated by the UK Government. Our Area Based Schemes in particular are designed to work in tandem with the Energy Company Obligation (ECO) to provide a blend of funding which can help develop larger schemes and assist the greatest number of households possible.

The installation of the energy efficiency measures make a significant contribution to reducing CO2 emissions from Scottish housing and to helping households save money by reducing their fuel bills. As Figure 12 shows, each programme contributes to reducing household fuel bills and CO2 emissions. **Figure 8** shows that the 2018/2019 programme resulted in annual CO2 savings of **30,118** Tonnes, and annual fuel bill savings of circa **£30m**.

Summary of Delivery 2018/2019

Fig: 8

Annual Fuel Bill Savings	£ 9.6 m
Lifetime Fuel Bill Savings	£82.1m
Annual CO2 Savings	30,118
Lifetime CO2 Savings	338,410

Installing energy efficiency measures also has long term benefits for households as the resulting improvements help lower fuel bills and reduce carbon emissions for the lifetime of the measure. Over the lifetimes of the measures installed, the 2018/2019 HEEPS programmes will save **338,410** tonnes of CO2 and reduce fuel bills by almost **£82.1m**

Delivery of the Energy Company Obligation (ECO) in Scotland

Our HEEPS schemes operate within a broader landscape of energy efficiency programmes operated by the UK Government. Our Area Based Schemes in particular are designed to work in tandem with the Energy Company Obligation (ECO) to provide a blend of funding which can help develop larger schemes and assist the greatest number of households possible.

ECO is also a key source of additional leveraged funding to Warmer Homes Scotland. This is managed centrally by Warmworks, our managing delivery agent, on behalf of the supply chain.

ECO funding of **£579,581** was leveraged into Warmer Homes Scotland in 2018/2019. This is a huge increase over last year, and an area where Warmworks are focusing.

ECO funding is also typically blended with HEEPS: ABS and we expect local authorities to leverage ECO to support delivery. During 2018/2019 Scottish local authorities have reported that they have leveraged £858,850 ECO funding to contribute towards HEEPS:ABS schemes.

From April 2018 to March 2019 almost **29,637 ECO** eligible measures were installed in Scotland. We do not have a full breakdown of the measures delivered for this period. Scotland received **15.4%** of total UK ECO measures in the year 2018/2019. The amount spent here can be estimated at approximately **£52.85** million if admin costs are included. Given that around **£1.4 million** of this spending was in conjunction with our HEEPS schemes it is clear that there is substantial additional energy efficiency activity happening in Scotland outside our programmes.

HEEPS Delivery Since 2013/14

The HEEPS programme has, since 2013, helped make a significant contribution to the Scottish Government's commitment to tackling fuel poverty. Circa **150,000** households now live in homes which are warmer and more cost effective to heat as a result of the measures installed and the effects of these changes will benefit households for many years to come.

Over the lifetime of the measures installed these Scottish households will cumulatively save over **£936.1** million pounds in their fuel bills and over **3.4** million tonnes of CO₂. The Scottish Government's investment in HEEPS between 2013 and 2019 is now over **£635** m.

Similar levels of ECO have also been invested in this period resulting in overall investment in tackling fuel poverty and improving energy efficiency in Scotland in excess of £900 million.

Conclusion

Many households have benefited from multiple interventions including the installation of measures, advice on reducing fuel bills, tariff switching and income maximisation. This package of assistance will help make a significant contribution to immediate and long-term reductions in fuel bills and to households enjoying warmer homes

The HEEPS programme also helps towards the Scottish Government meeting its climate change targets by reducing CO₂ emissions and we know that our advice and support service helps households save on their fuel bills.

We continue to take a cross-cutting approach, including working with the health sector to promote the support available to tackle fuel poverty. Through Home Energy Scotland we have prioritised increasing the number of referral pathways to the support we offer from health related organisations. More households, particularly those where a person is especially at risk of suffering adverse effects of living in a cold home, get the help they need.

Acronyms

ACRONYMS

ABS-

Area Based Scheme

ECO

Energy Companies Obligation

EPC

Energy Performance Certificate

EES

Energy Efficient Scotland

EST

Energy Saving Trust

GSHP

Ground Source Heat Pump

HEEPS

Home Energy Efficiency Programmes for Scotland

HES

Home Energy Scotland

KPI

Key Performance Indicator

QA

Quality Assurance

SG

Scottish Government

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