

# **Home Energy Efficiency Programmes for Scotland**

**Delivery Report 2016/17**

**June 2018**



**Scottish Government**  
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# HOME ENERGY EFFICIENCY PROGRAMMES FOR SCOTLAND

## DELIVERY REPORT 2016/17

### Summary of Delivery in 2016/17

- Over 24,000 households were assisted in 2016/17 through our HEEPS programmes
- Approximately 34,000 energy efficiency measures installed in 2016/17 across our HEEPS programmes
- Annual CO2 savings of 24,500 tonnes and fuel bill savings of just over £6.5 million
- Lifetime CO2 savings of 608,500 tonnes and fuel bill savings of approximately £183.4 million

### Background

1. The Home Energy Efficiency Programmes for Scotland (HEEPS) is the Scottish Government's flagship delivery vehicle for tackling fuel poverty and improving the energy efficiency of the domestic housing stock. Launched in April 2013, HEEPS provides an offer of support to all households across Scotland. The 2016/17 Programme had a total budget of £119.3m which funded a number of schemes, including advice and support.
2. The individual HEEPS schemes are designed to work with other energy efficiency programmes by blending funding with other schemes, such as the Energy Company Obligation. This helps maximise the opportunities available to households and councils and means they can build larger funding pots to help deliver bigger or more expensive projects.
3. This will be the fourth annual summary report of our HEEPS programme. Its main focus is on the outcomes achieved from the 2016/17 programme but it also provides an overview of cumulative progress since 2013, including the number of households assisted, and an overview of the results of our advice and support programme. Details on delivery through schemes prior to HEEPS and previous HEEPS Programme reports can be found on the Energy Saving Trust website.

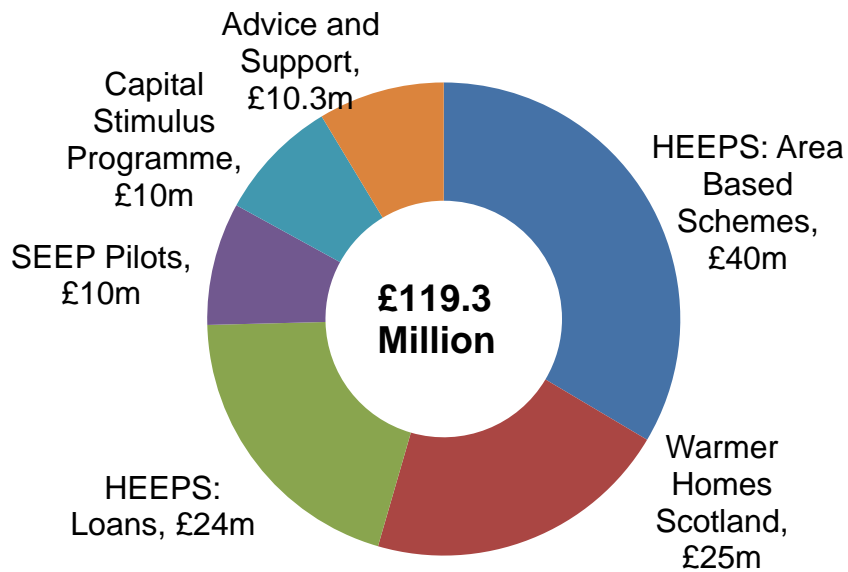
*"You get up and it's warm even if the heating's not on. It's never cold. It gives you peace of mind"*  
*Mr and Mrs P – South Ayrshire*

## Home Energy Efficiency Programmes for Scotland 2016/17

4. As in previous years, the largest element of the Scottish Government's budget for fuel poverty and domestic energy efficiency programmes in 2016/17 was allocated to **Area Based Schemes (HEEPS: ABS)**. Area Based Schemes are delivered by local authorities targeting fuel poor areas, providing a range of insulation measures whilst focussing on harder to treat properties requiring more expensive interventions such as solid wall insulation. The budget for Area Based Schemes for 2016/17 was £40m. During the financial year unallocated funding from our SEEP Pilot programme became available and was recycled into HEEPS: ABS and as a result, the final budget out-turn for Area Based Schemes in 2016/17 was £48.4m.
5. The second element of HEEPS in 2016/17 was **Warmer Homes Scotland (HEEPS: WHS)**. Warmer Homes Scotland 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. For 2016/17 the WHS budget was £25m.
6. 2016/17 saw the continuation of **HEEPS: Loans**. These are interest-free loans to households and Registered Social Landlords to enable the installation of energy efficiency measures. Loans of up to £10,000 were available to households looking to improve their properties. In 2016/17 the HEEPS: Loans budget was £24m.
7. Grant funding for **SEEP pilot projects** was made available in April 2016. This asked councils to produce path-finding projects across both domestic and non-domestic markets over 2 years, to find innovative ways to remove poor energy efficiency as a driver for fuel poverty. The 2016/17 SEEP Pilots budget was £10m.
8. 2016/17 saw the introduction of a one-off **Capital Stimulus Programme** by the Scottish Government. The funding asked Registered Social Landlords (RSLs) to target properties which were the most inefficient and did not yet meet the Energy Efficiency Standard for Social Housing (ESSH). The budget for the stimulus programme was £10m in 2016/17, with £9m funding the RSL programme and £1m providing a Cashback element to HEEPS loans for energy efficient measures.
9. The HEEPS programme also fund Home Energy Scotland to provide a free and impartial advice and support service to all householders in Scotland. This ensures that, where eligible, customers can be referred to the most appropriate scheme specific to their personal circumstances. The 2016/17 Advice and Support budget was £10.3m.

*"It's the best thing that has happened to these houses"*  
*"It makes the environment look better and its warmer"*  
Mrs S – South Ayrshire

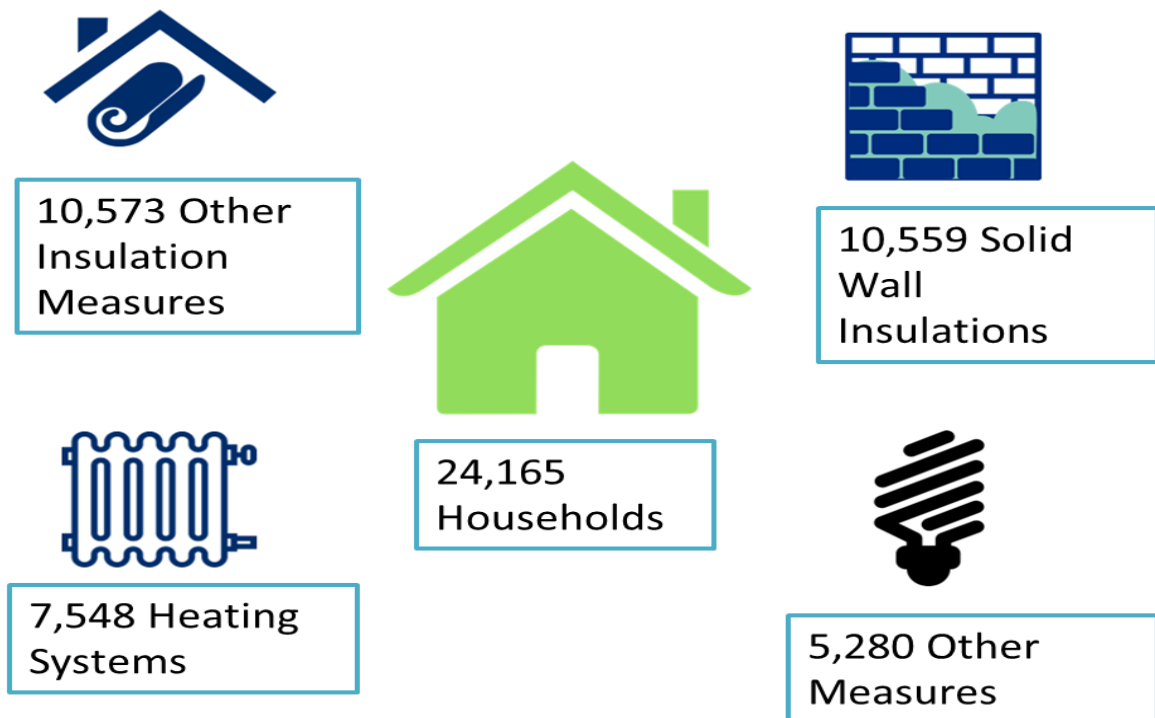
**Figure 1: Breakdown of the 2016/17 HEEPS Budget**



**Main Outcomes**

10. In total, across all our HEEPS schemes, over 33,960 measures were delivered to over 24,000 households across Scotland. Just under half of measures installed were solid wall insulation, just over a fifth were gas central heating systems and almost 5,300 were other measures - the largest proportion of which was to cavity walls. In total, just over 62% of measures delivered across HEEPS in 2016/17 were insulation measures with the remainder being heating (see Figure 2).

**Figure 2: Breakdown of Measures Delivered by HEEPS in 2016/17**

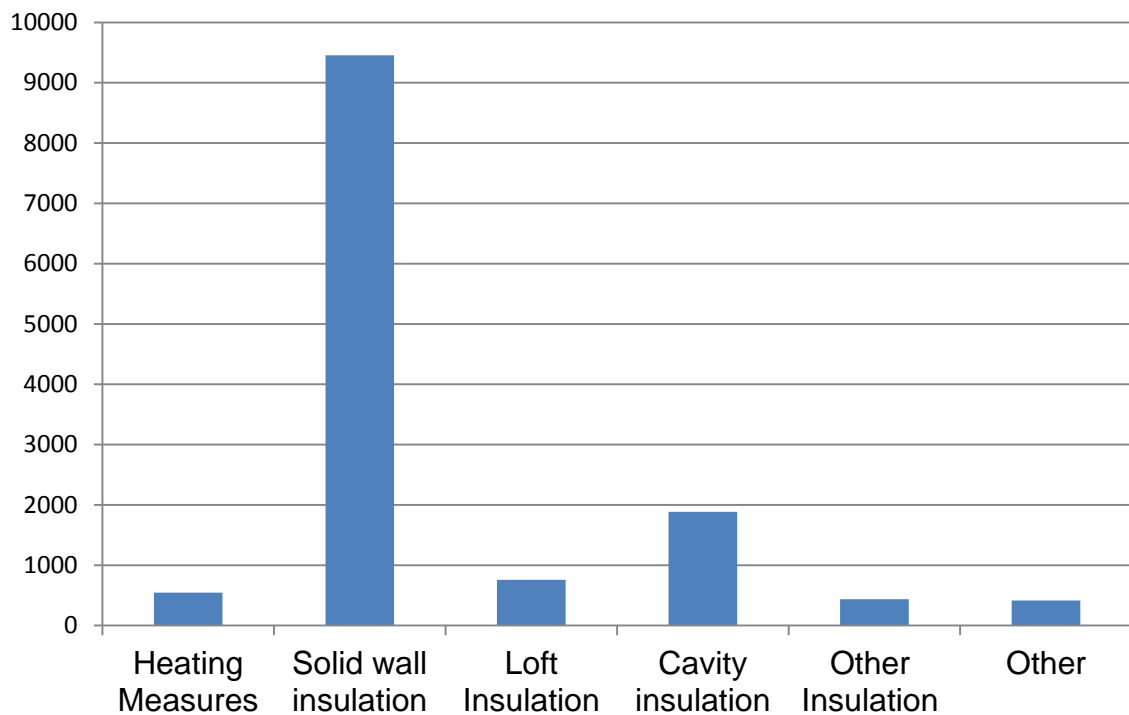


## **Delivery By Programme**

### **Area Based Schemes (HEEPS: ABS)**

11. Our Area Based Schemes are designed and delivered by councils with local delivery partners. They target fuel-poor areas to provide energy efficiency measures to a large number of Scottish homes while delivering emission savings and helping reduce fuel poverty. It is primarily an insulation programme delivering solid wall and hard-to-treat cavity wall insulation.
12. Delivery is managed by councils who provide information to the Scottish Government on progress. HEEPS:ABS funding is provided for private sector properties only, although many schemes cover private sector properties in mixed tenure blocks. Enabling funding is provided to councils to assist in developing schemes, engage with householders and to contribute towards the cost of scaffolding etc. HEEPS:ABS funding often 'unlocks' larger mixed tenure schemes where a mix of social and private sector properties are involved. The figures collected from councils therefore include the number of social rented sector properties which received energy efficiency measures as part of HEEPS:ABS schemes.
13. Figure 3, below, shows that HEEPS:ABS delivered large numbers of solid wall insulation (SWI). A total of almost 13,500 energy efficiency measures were installed in Scottish households, with SWI being installed in around 9,500 households. We can also see that councils deliver significant numbers of cavity wall insulation (CWI) and households received over 1,880 measures of this type. The nature of area based schemes means that large numbers of properties receiving cavity wall insulation live in properties deemed hard-to-treat. This means that they cannot be filled using the same methods as standard cavity walls. Hard-to-treat 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. Over 1,654 measures (88%) of cavity wall insulation carried out through HEEPS:ABS is to hard-to-treat cavities.

**Figure 3: Measures delivered by Area Based Schemes, 2016/17**



### **Capital Acceleration Programme**

14. In the wake of the EU referendum result in June 2016 the First Minister announced measures to support and stimulate the Scottish economy. Included in this package of measures was a £10m investment in energy efficiency. Most of this budget (£9m) was made available to social landlords to support the delivery of the Energy Efficiency Standard for Social Housing (EESH). The remaining £1m was provided as a cashback element to the incentivise the HEEPS loans scheme.
15. The funding allowed social landlords to target properties which were the most inefficient and did not yet meet EESH standards. Administered by local authorities, works for insulation or heating improvements took place in the latter part of the 2016/17 financial year.
16. The Capital Acceleration Programme delivered almost 4000 energy efficiency measures to over 3500 households. Table 1 below provides further details of the measures installed by councils for the Capital Acceleration funding.

## **Warmer Homes Scotland (HEEPS: WHS)**

17. Warmer Homes Scotland is the Scottish Government's flagship 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.
18. The WHS scheme frequently takes a 'whole house' approach to energy efficiency, often installing multiple measures to ensure homes are warmer and cheaper to run. Measures included in this scheme can include new energy efficient boilers, combined with thermostatic heating controls and loft insulation.
19. In 2016/17, Warmer Homes Scotland helped 5,326 customers, who benefited from the installation of over 13,500 separate measures, giving them an average saving of £357 off their annual fuel bills. Details of these measures are highlighted in table 1 below.
20. The annual review of the Warmer Homes Scotland scheme is available [here](#) on the Scottish Government website.

## **HEEPS: Loans**

21. HEEPS Loans schemes are open to all households across Scotland, regardless of income, helping to deliver a range of heating and insulation measures. In 2016/17 the scheme helped fund 761 households to install over 1,050 energy efficient measures.
22. The second loans stream provided funding to Registered Social Landlords (**RSLs**) to support the installation of energy efficiency measures to their stock. The scheme was open to all social landlords in Scotland and successful applications covered works bids for funding to install 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. Eleven social landlords received grants and installed just over 1,000 measures as a result.

## **SEEP Pilot Schemes**

23. During this initial phase of the SEEP Programme, in January 2016 funding was made available to local authorities to test delivery mechanisms for domestic and non-domestic buildings to inform the future design of the Programme. The 2016/17 SEEP Pilots budget was £10m. And a total of 11 local authorities made successful applications to the fund.
24. This Pilot programme asked councils to produce path-finding projects across both domestic and non-domestic markets over 2 years, to find innovative ways to remove poor energy efficiency as a driver for fuel poverty.

25. A full evaluation of the first phase of SEEP pilots will be produced by the Energy Savings Trust and the University of Edinburgh in the Summer of 2018. Information on outcomes is therefore not included in this report.

*“The insulation has made a big difference. I’d say it keeps the heat in better throughout the house and it feels so much better, warmer. I would say that if you get the opportunity to have the work done you should go for it.”*

*David – Edinburgh*

**Table 1: Measures Delivered Across the HEEPS Programmes**

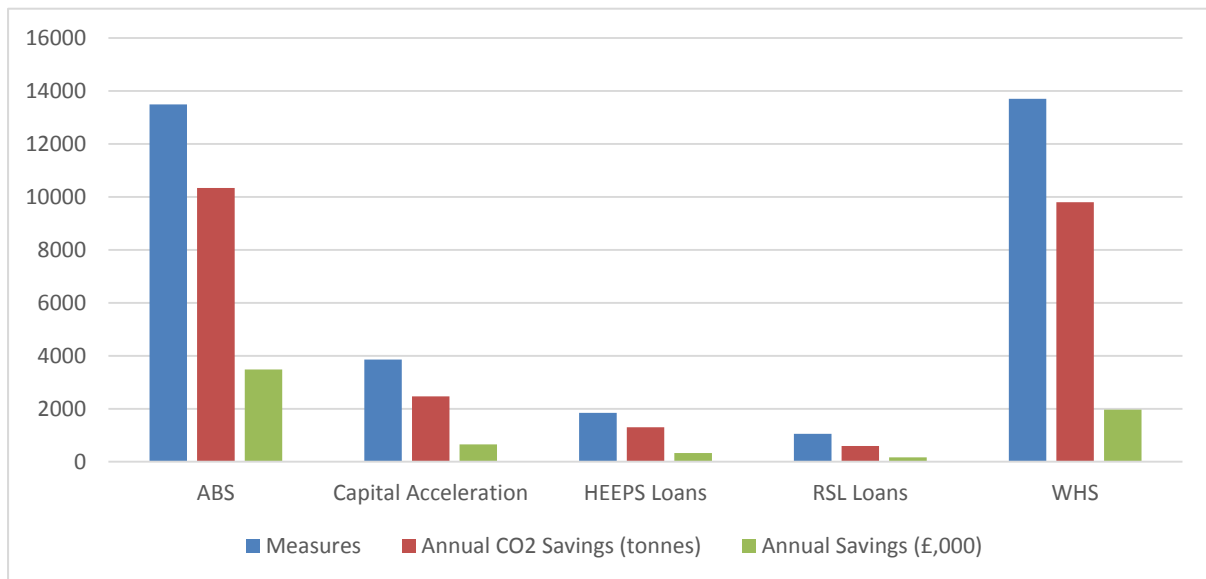
|                                  | WHS    | Capital Acceleration | ABS    | HEEPS: RSL Loans | HEEPS: Loans | Total         |
|----------------------------------|--------|----------------------|--------|------------------|--------------|---------------|
| <b>Heating System</b>            | 4,047  | 2,202                | 53     | 319              | 927          | 7,548         |
| <b>Other Heating Measures</b>    | 4,067  | 168                  | 492    | 281              | 272          | 5,280         |
| <b>Solid wall insulation</b>     | 232    | 493                  | 9,454  | 202              | 178          | 10,559        |
| <b>Other insulation measures</b> | 5360   | 997                  | 3,495  | 252              | 469          | 10,573        |
| <b>Total Measures</b>            | 13,706 | 3,860                | 13,494 | 1,054            | 1,846        | <b>33,960</b> |
| <b>Total Households</b>          | 5,326  | 3,667                | 12,819 | 761              | 1592         | <b>24,165</b> |

### **Carbon and Fuel Bill Savings**

26. The installation of the energy efficiency measures outlined above make a significant contribution to reducing CO2 emissions from Scottish housing and to helping households save money by reducing their fuel bills. As Figure 4 shows, each programme contributes to reducing household fuel bills and CO2 emissions. Figure 4 below shows that the 2016/17 programme resulted in annual CO2 savings of 24,500 Tonnes, and fuel bill savings of £6.5m.



**Figure 4: Annual Fuel Bill and CO2 Savings from HEEPS Measures**



27. Installing energy efficiency measures also has long term benefits for households as the resulting improvements help lower fuel bills and reduce carbon for the lifetime of the measure. The 2016/2017 HEEPS programmes will save 608,500 tonnes of CO2 and reduce fuel bills by almost £183.4m over the lifetime of the measures installed.

### **Delivery of the Energy Company Obligation (ECO) in Scotland.**

28. 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.

29. 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.

30. Just over £200,000 of ECO funding was leveraged into Warmer Homes Scotland in 2016/17. The number of customers that benefited from ECO (229) during 2016/17 represents approximately 4.3% of the total number of households who received installations under Warmer Homes Scotland, which is a relatively small number given the overall scale and reach of the scheme. However, this is expected to increase as the challenges faced in compliance and accessibility of ECO during 2016/17 are ironed out.

31. ECO funding is also typically blended with HEEPS: ABS and we expect councils to leverage ECO to support delivery. During 2016/17 Scottish local authorities have reported that they have leveraged over £8m ECO funding to contribute towards HEEPS:ABS schemes.

32. From April 2016 to March 2017 almost 43,200 ECO eligible measures were installed in Scotland. We do not have a full breakdown of the measures delivered for this period. Scotland received 13.5% of total UK ECO measures in the year 2016/17. The amount spent here can be estimated at either £56.5 million excluding admin costs, or £64.5 million if admin costs are included. Given that around £8.5m 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.

### **Advice and Support: Home Energy Scotland**

33. We recognise that, alongside funding for physical measures, we also need to ensure people are guided through the choices available to them. In 2016/17 the HEEPS programme made available £8.560m to fund Home Energy Scotland (HES). This provides free and impartial advice to all householders in Scotland and ensures, where eligible, they can be referred to the most appropriate scheme specific to their personal circumstances. In 2016/17 HES handled over 33,000 contacts in regards to HEEPS schemes. These are detailed in table 2 below.

34. Home Energy Scotland can also provide tailored advice for an individual's own home and assist householders through the complaints process of Government energy efficiency schemes.

35. Through this service, consumers can be assured that they do not need to be knowledgeable on the various funding streams or schemes available, making for a simpler customer journey. Home Energy Scotland also ensures that the service provided covers advice on behaviour change, which can make a significant difference to consumers - saving energy and money.

36. Callers are offered a free benefits check to ensure they are receiving all the help and support they are entitled to. This initiative unlocked a calculated increase in income from Benefits Check of £2,345,842 in 16/17.

37. HES also provides a community liaison service to join up with other service providers to reach the most vulnerable people in the community. HES provided 871 home visits to vulnerable households within 16/17.

38. Through a partnership between Home Energy Scotland and the social enterprise Citrus Energy we have also been able to expand on the range of support offered to consumers so that we can now offer referrals for free, impartial, advice and handholding support on switching energy supplier. This service resulted in figures of :

- Total 16-17 savings (projected) as reported to EST by Citrus: £27,607
- Average saving (projected) for customer switching as reported to EST by Citrus: £197

**Table 2: Engagement with Home Energy Scotland in 2016/17**

| <b>Calls and Advice or Referrals Provided</b>                              | <b>2016-17</b> |
|--|----------------|
| Households in contact about Home Energy Efficiency Programmes for Scotland | 33,322         |
| Take-up of offers of help  |                |
| - households   | 30,026         |
| - people in households   | 61,853         |
| Energy saving advice (households)  | 27,029         |
| Income maximisation referral (people)                                      | 8,396          |
| Energy cost reduction referral (WHD)                                       | 6,790          |
| Energy supplier switching referral (Citrus)                                | 5,168          |
| Area-based (HEEPS-ABS) referrals (households)                              | 2,233          |
| Other obligated supplier scheme referral including HHCRO (households)      | 915            |
| Warmer Homes Scotland referrals (households)                               | 8,967          |
| WHS referrals reinstated by Warmworks                                      | 105            |

*“The workmen were fantastic, conscientious, polite and tidy, was a pleasure to have them in the property. Would have no issue recommending them to friends and family”*

*Mrs F: - HES customer*

**Table 3: Benefits from HES Interactions**

| <b>Beneficiaries of income maximisation and energy cost reduction referrals (whole term)[iv]</b> |        |
|--|--------|
| Potential increase in income identified, non-pensioner (people)                                  | 2,807  |
| Increase in income identified, pensioner (cases)   | 1,520  |
| Move to social tariff/rebate/discount  | 17,909 |
| Change to cheaper payment type   | 971    |
| Changed energy supplier or to more appropriate tariff  | 140    |
| Referred for debt clearance help   | 6      |

39. Looking across all of the 2016/17 HEEPS programmes covering advice, support and assistance with energy efficiency measures we can be confident therefore that almost 50 000 households have benefited. Many of these households will 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.

#### **HEEPS Since 2013/14**

40. Since its launch in 2013, across the four years in which it has operated over 120,000 households throughout Scotland have benefited from receiving energy efficiency measures through our HEEPS programmes. Over the lifetime of the measures installed these Scottish households will cumulatively save over **three quarters of a billion pounds** in their fuel bills and **over 3 million tonnes of CO2**.

41. The Scottish Government's investment in HEEPS between 2013/14 and 2016/17 is now over £400m. 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 £800m.

Total HEEPS  
Investment of over  
£403m

over 120,000  
households  
assisted by HEEPS  
since 2013

over 3m tonnes of  
CO2 saved by our  
HEEPS programmes

£725m savings in  
household fuel bills  
by HEEPS

## Conclusion

42. The HEEPS programme has, since 2013, helped make a significant contribution to the Scottish Government's commitment to tackling fuel poverty. Over 120,000 households now live in homes which are warmer and cheaper to heat as a result of the measures installed. And the effects of these changes will benefit households for many years to come. The 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. This is helping to ensure 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 to live in a warm home that is affordable to heat.

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