

Heat in Buildings Delivery Report 2019/2020

August 2022



Scottish Government
Riaghaltas na h-Alba
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Contents

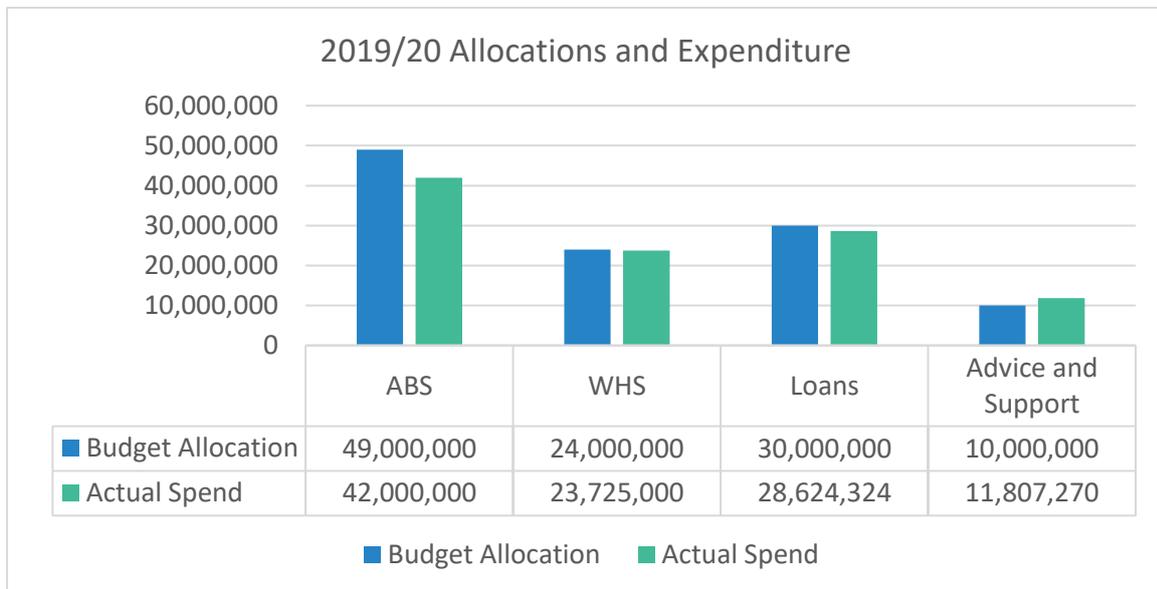
Introduction	3
Summary of Delivery.....	4
1. Area Based Schemes	5
2. Warmer Homes Scotland	6
3. Energy Efficiency Loans	7
4. Advice and Support.....	8
5. Carbon and Fuel Bill Savings for ABS and WHS	9
6. Delivery of the Energy Company Obligation (ECO) in Scotland.....	10
7. HIB Programme Delivery Since 2013	10
Acronyms.....	11

Introduction

- This report summarises delivery by the programmes originally launched as part of the Home Energy Efficiency Programme Scotland (HEEPS) in 2013. These programmes will form part of the virtual public energy agency in future but are being published in the context of supporting delivery of the Heat in Buildings Delivery plan. Future reports will be branded to reflect the new virtual public energy agency.
- The Scottish Government's Heat in Buildings (HIB) delivery programmes are key to achieving our strategies to tackle fuel poverty, improve the energy efficiency of Scotland's homes and contribute to net zero. Our energy efficiency programmes provide an offer of support to every household across Scotland.
- This is the seventh annual summary report of our energy efficiency programme. The main focus of the report is on the outcomes achieved from the 2019/20 programme and an overview of the progress made since 2013.
- The report provides estimates for the number of households assisted, including those helped by our advice and support programme. Details on delivery through schemes prior to the launch of HEEPS (now HIB) in 2013 can be found on the Energy Saving Trust website.
- Our programmes are designed to work with other energy efficiency programmes, for example by aligning funding from the Energy Company Obligation (ECO). This helps maximise the opportunities available to households and local authorities, it means they can create larger funding pots to help deliver bigger or more ambitious projects.
- 613,000 households were reported to have been in Fuel Poverty in 2019. 311,000 of these households (12.4%) were living in extreme fuel poverty. Unfortunately we have no fuel poverty estimates for 2020, fieldwork for the 2020 Scottish House Condition Survey was halted as a result of the Covid-19 pandemic and restrictions.
- In common with all construction projects at the time, Covid-19 restrictions delayed and in some cases halted project delivery across our programmes. No work could be undertaken inside people's homes and external work was paused during the first lockdown. This impacted the end of the 2019/20 delivery period, resulting in fewer improvements to homes being completed.
- Delays due to lockdown in 19/20 also impacted the supply chain with disruption to manufacturing, as well delays to logistics and rising costs of materials. COVID-19 precautions meant that staff and some householders had to self-isolate or shield themselves/their families. This and the second lockdown restrictions had a continuing impact upon completion of works during 2020/21 and 2021/22.

Summary of Delivery

 Over 12,735 households assisted	 31,000 energy efficiency measures installed
 Annual fuel bill savings of over £2,218,427	 12,663 tonnes of CO2 saved



1. Area Based Schemes

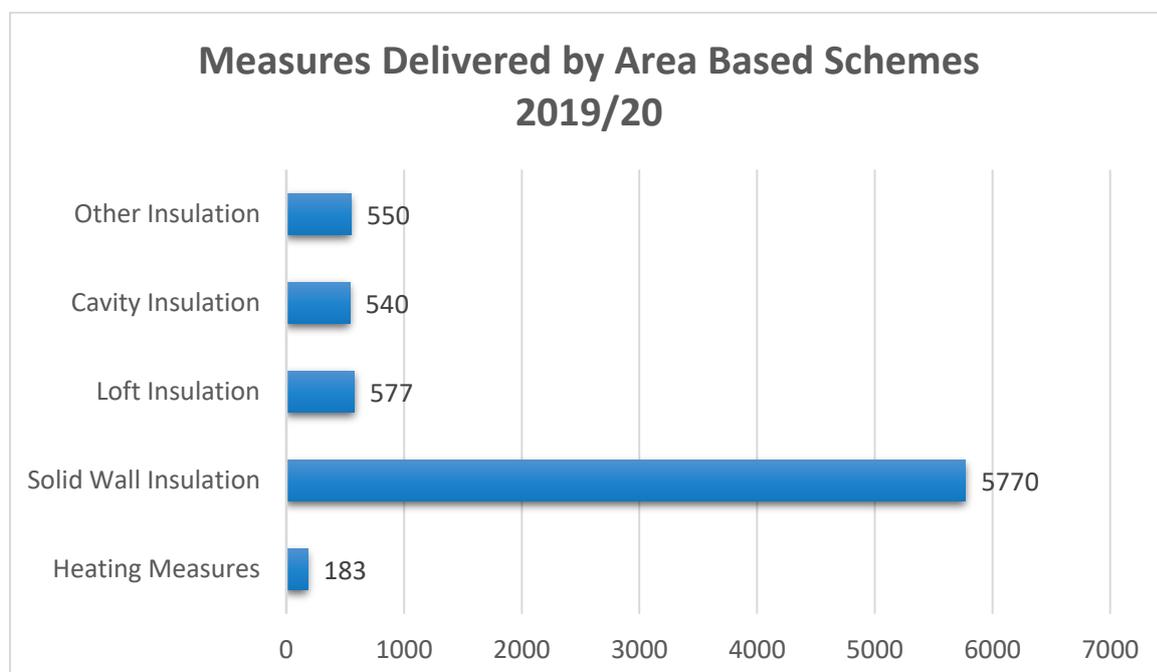
The Area Based Schemes (ABS) programme was launched in April 2013 with the aim of reducing fuel poverty by supporting local authorities to design and deliver energy efficiency programmes in fuel poor areas.

Local schemes are designed and delivered by councils, in conjunction with utility companies and local delivery partners, targeting fuel poor areas to provide energy efficiency measures to a large number of Scottish households and help reduce fuel poverty. ABS funding enables local delivery partners to offer measures at no cost or a reduced cost to owner occupiers and private landlords with fewer than four properties. This is provided as grant-in-kind, not financial grants.

Each local authority is expected to use various 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.

ABS funding often 'unlocks' larger mixed tenure schemes where there is a mix of social and privately owned properties. Local authorities provide information updates to the Scottish Government as the programmes progress throughout the financial year.

In line with our commitments to reduce fuel poverty and reach our carbon reduction targets, the Scottish Government set an annual investment of £49 million for ABS projects in 2019/20. We estimate that approximately 7,524 households were supported by ABS projects and local schemes with 7,920 measures installed.

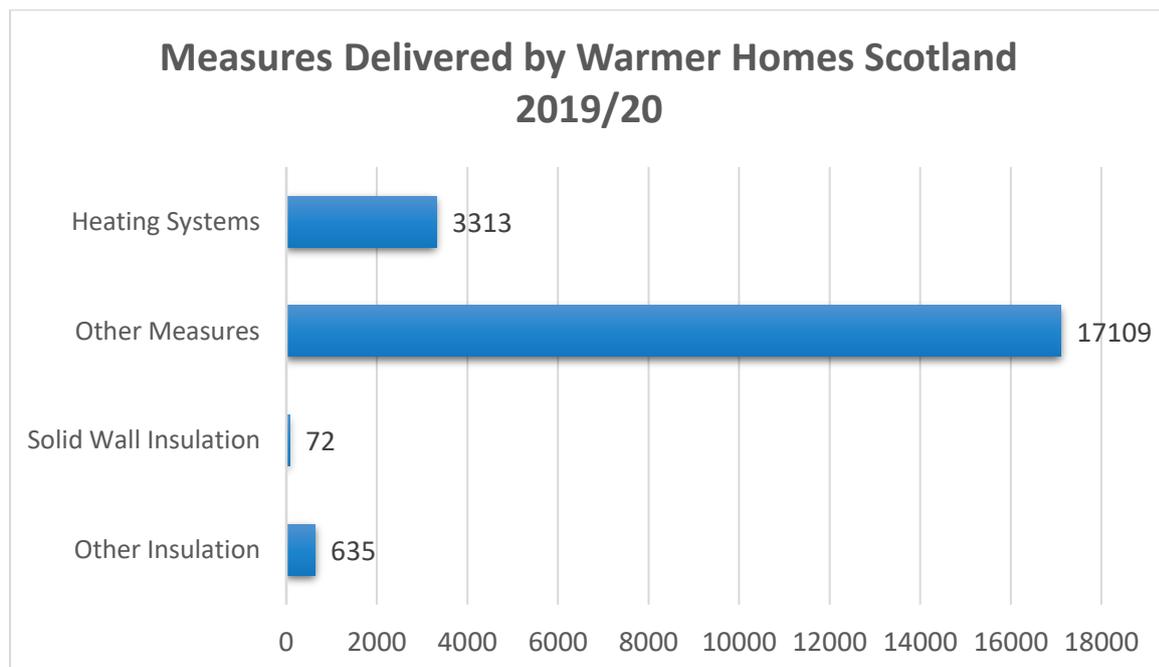


2. Warmer Homes Scotland

Warmer Homes Scotland (WHS) is the Scottish Government's national fuel poverty scheme. 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 fuel poverty. The scheme achieves this by providing measures, including insulation and heating measures including renewables 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, loft cavity insulation and energy efficient glazed doors.

The Scottish Government invested £24,000,000 in WHS projects in 2019/20. Throughout the year, WHS installed 21,129 measures in 3,607 households with an average annual fuel saving of £296 per household.



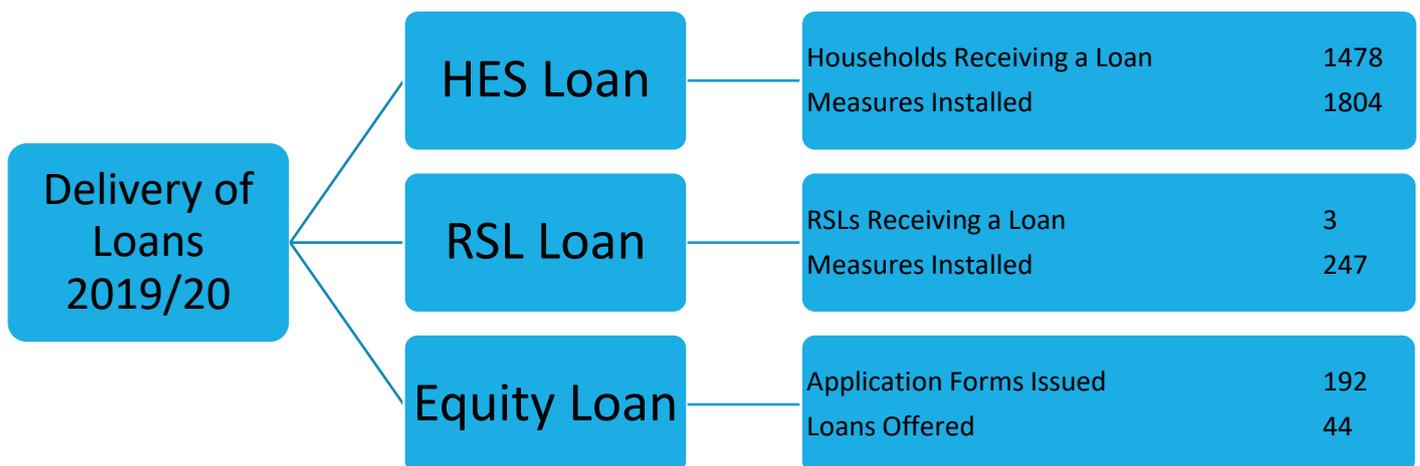
3. Energy Efficiency Loans

The Scottish Government's energy efficiency loans schemes are open to all households across Scotland, helping to deliver a range of energy efficiency measures. The various loan schemes are set out below.

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 and other improvements. The HES loan also includes (from 2017 onwards) the previous Energy Efficiency and Renewables Loan which supports the installation of renewables measures in Scottish domestic properties.

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 cover 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 Equity Loan is a pilot programme designed to help homeowners and private landlords make energy improvements and repairs to their properties. The Energy Saving Trust partnered with local Care and Repair to deliver this scheme. Care and Repair services have remained on hand to support householders throughout the process.



4. Advice and Support

Home Energy Scotland (HES), is funded by the Scottish Government to provide householders with free and impartial energy efficiency advice about schemes they may be eligible for. HES acts as the gateway to all Scottish Government funded energy efficiency schemes, including referrals to our Warmer Homes Scotland service.

HES can provide tailored advice for an individual's own home including:

- a free benefits check for every caller to ensure householders are receiving all the help and support they are entitled to;
 - a community liaison service to join up with other service providers to reach the most vulnerable people in the community;
 - assistance for householders who wish to make a complaint about Scottish or UK Government energy efficiency schemes;
 - an online referral portal to enable a seamless handover from external stakeholders to HES, allowing stakeholders to track progress with the referral and the outcome for the customer.
- 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.

HES Advice and Support 2019/20	
Households in contact with HES who are vulnerable to fuel poverty	38,738
Take up of offers of help:	
• Households	28,342
• People in households	58,742
Energy saving advice (households)	28,066
Income maximisation referral (people)	221
Energy cost reduction referrals (WHD)	1,044
Benefit Calculator Signposting	306
Energy supplier switching referrals (Citrus)	402
Area Based Schemes referrals (households)	2,985
Other obligated supplier scheme referrals including HHCRO	474
Warmer Homes Scotland referrals (households)	5,455
WHS referrals reinstated by EST on appeal	178
Households signposted to other sources of support	1,607

5. Carbon and Fuel Bill Savings for ABS and WHS

Annual Fuel Bill Savings	Lifetime Fuel Bill Savings	Annual CO2 Savings	Lifetime CO2 Savings
£2,218,427	£68,678,000	12,663	301,300

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.

Our delivery schemes are designed to contribute to Scotland’s ambitious climate change and fuel poverty targets. It is estimated that through the energy efficiency measures we have provided, over £2m will be saved each year in fuel bills with an estimated lifetime savings of circa £68m, across the properties helped throughout the country.

The energy efficiency measures we provide have long term benefits for households as the resulting improvements not only help lower fuel bills but reduce carbon emissions for the lifetime of the measure. We estimate that the households we’ve helped throughout the 2019/20 programme will save 12,663 tonnes of CO2 in total and over the lifetime of the measures installed, the HIB programmes will save over 300,000 tonnes of CO2.

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

Our 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.

During 2019/20 Scottish local authorities anticipated that they would leverage £4.5m in ECO funding to contribute towards ABS schemes.

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. Just under £700,000 of extra funding was leveraged into Warmer Homes Scotland in 2019/20, an increase over last year resulting in more households receiving assistance.

A total of 32,044 ECO eligible measures were delivered in Scotland throughout 2019/20 which includes some measures funded by our delivery programmes.

Based on Scotland's share of measures provided through each of the obligations, we estimate that Scotland has benefitted from approximately £558.8m in ECO financing (excluding admin costs) since the scheme began (Jan 2013 to Mar 2020).

Delivery and admin costs would be approximately £59.5m, bringing the total ECO investment in Scotland to approximately £618m.

7. HIB Programme Delivery Since 2013

Since 2013, our HIB programmes have helped make a significant contribution to the Scottish Government's commitment to tackling fuel poverty. We estimate that almost 165,000 households now live in homes which are warmer and more cost effective to heat as a result of improvements installed through our schemes. These changes will continue to benefit these households for many years to come.

Over the lifetime of the measures installed these Scottish households will cumulatively save over **£1b** pounds in their fuel bills and over **3.5m** tonnes of CO₂. The Scottish Government's investment in HEEPS between 2013 and 2020 is now over **£754m**.

Acronyms

ABS	Area Based Schemes
WHS	Warmer Homes Scotland
ASHP	Air Source Heat Pump
ECO	Energy Company Obligation
EST	Energy Saving Trust
HES	Home Energy Scotland
SG	Scottish Government
HIB	Heat in Buildings
RSL	Registered Social Landlord
HHCRO	Home Heating Cost Reduction Obligation

Contact: Josh.Kumar@gov.scot



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Any enquiries regarding this publication should be sent to us at

The Scottish Government
St Andrew's House
Edinburgh
EH1 3DG

ISBN: 978-1-80435-838-2 (web only)

Published by The Scottish Government, August 2022

Produced for The Scottish Government by APS Group Scotland, 21 Tennant Street, Edinburgh EH6 5NA
PPDAS1142122 (08/22)

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