

To : <b>HOUSING AND TECHNICAL SERVICES COMMITTEE</b>		Subject : <b>BID FOR EXTERNAL FUNDING TO ENERGY SAVINGS TRUST: ENERGY EFFICIENCY IN TENEMENTS &amp; FLATS</b>
From : <b>DIRECTOR OF HOUSING &amp; PROPERTY SERVICES</b>		
Date: <b>5 February 2003</b>	Ref : <b>TMcK/EG</b>	

### 1. Introduction

- 1.1 The purpose of this report is to advise committee of the action taken to secure funding from the Energy Savings Trust to improve energy efficiency within flats and seek approval to allocate match funding from within the Non-HRA Capital Programme (2003/04).

### 2. Background

- 2.1 The difficulties in encouraging owners in flatted properties to participate and meet their share of common repairs, even with a 50% grant contribution towards the cost of such work, are well recognised by the Council. Common work tends therefore to be limited to essential repairs only.
- 2.2 No grant provision currently exists within the Improvement Grant Scheme to encourage owners to improve the thermal insulation of their properties. When the changes to the grant system under the Housing (Scotland) Act 2001 are introduced later this year, such a provision will be introduced, but the level of grant will be subject to means testing and the availability of funding. The current waiting time for non-priority discretionary grants is three years.
- 2.3 In November 2002, invitations were invited by the Energy Savings Trust to submit proposals for pilot programmes to be undertaken for a 12 month period commencing in Spring 2003. A brief summary of a proposal was submitted by the Department's Private Sector Section and a panel (which comprised the Energy Savings Trust, the Housing Improvement Task Force and Energy Action Scotland) assessed the proposals. A total of 19 projects from various organisations were submitted and of these, 7 were invited to prepare a business plan by 31<sup>st</sup> January 2003, which if accepted, would lead to an offer of grant from the Energy Savings Trust.

### 3. Proposals

- 3.1 It was proposed that owners in tenements and flats be offered a grant of 90% towards the costs of energy efficiency works such as cavity wall insulation, loft, tank and pipe insulation, draughtproofing of external doors, hot water tank insulation and energy advice. (The lesser measures will only be undertaken in conjunction with either cavity or loft insulation). The aims and objectives of the project are:-
- To encourage owners in common blocks to undertake energy efficiency improvements.
  - To make funding available for these measures immediately (rather than wait three years if applications held on grants waiting list).

- By offering 90% grants encourage all owners within a block to participate thereby ensuring that work such as cavity wall insulation can be undertaken to all properties, rather than half a block due to the non-participation of one owner.
  - To utilise other funding sources such as Warm Deal (where applicants are eligible) thereby maximising all funding.
- 3.2 Funding of £15,000 was requested from the Energy Savings Trust. A further commitment of £15,000 has been promised from ScottishPower subject to a successful bid.
- 3.3 As a result of the introduction of the Scottish Executive's Central Heating Programme which provides 100% grant assistance for pensioners who need to replace or install central heating, the demand on the allowance within the Non-HRA Capital Programme for energy conservation (which is currently used to fund grants for new or replacement heating systems for eligible applicants) is likely to decrease. It is therefore intended that £15,000 from the allowance within the Non-HRA Capital Programme for energy conservation in 2003/04 also be allocated to this project.
- 3.4 The 10% contribution required from owners participating in the project would amount to a further £5,000. The total amount of funding for this project from all sources will therefore total £50,000. An allowance of 5% has been built in to this figure to cover office costs such as publicity, marketing, postage, etc.
- 3.5 All funding within this project will contribute towards private sector housing only. Other external funding, currently accessed by the Energy Unit and approved network installers, will be utilised to undertake all works to council houses within the mixed tenure blocks and also to owner-occupied houses where eligibility is determined.
- 3.6 It is anticipated that by utilising other sources of external funding, the total value of energy efficiency measures will amount to approximately £65,000.

#### **4. Corporate Considerations**

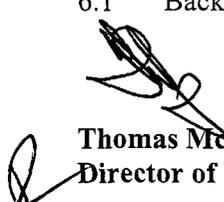
- 4.1 The financial and personnel resources required for this project can be accommodated within the existing budgets and staff resources available to the Department.

#### **5. Recommendation**

- 5.1 It is recommended that:
- a) The Committee note the successful bid which has resulted in potentially £30,000 external funding to the Council to improve energy efficiency in blocks of flats.
  - b) The Committee agree to allocate £15,000 from the Council's Non-HRA Housing Capital Programme allowance for energy conservation in 2003/4 for private sector housing be allocated to this project.

#### **6. Background Information**

- 6.1 Background information is available in the Housing & Property Services Department.



**Thomas McKenzie**  
**Director of Housing & Property Services**