

**REPORT TO: HOUSING COMMITTEE - 23RD APRIL 2012**  
**REPORT ON: LOCHEE COMMUNITY ENERGY SAVINGS PROJECT (CESP)**  
**REPORT BY: DIRECTOR OF HOUSING**  
**REPORT NO: 174-2012**

## **1. PURPOSE OF REPORT**

- 1.1. Report 466-2011 - Lochee Community Energy Saving Project approved by Housing Committee on 31st October 2011 approved two CESP's at Whorterbank and Lansdowne/Pitalpin multi storey developments (MSDs). These projects are being delivered in partnership with Scottish Gas. This report provides details of final costs and seeks approval to proceed.

## **2. RECOMMENDATIONS**

- 2.1. It is recommended that Committee authorise the Director of Housing to enter into a contract with Scottish Gas to deliver these CESP's. The Council contribution being £2.750 M.

## **3. FINANCIAL IMPLICATIONS**

- 3.1. Based on estimated costs provided from Scottish Gas in October 2011 the project costs were outlined as follows:

Council contribution	:	£2.437 M.
Scottish Gas CESP contribution	:	£1.412 M.
Total Cost	:	£3.849 M.

The final costs now provided from Scottish Gas are:

Council contribution	:	£2.750 M.
Scottish Gas CESP contribution	:	£2.300 M.
Total Cost	:	£5.050 M.

- 3.2. Initial cost estimates were based around the Dallfield CESP. The final costs reflect the unique issues of this project following the detailed project specification by British Gas and negotiations with OFGEM around carbon credits which can be obtained for the project. The two main cost drivers are the provision of two district heating centres with the associated distribution and construction required to run two energy centres i.e. one for Whorterbank and one for Lansdowne/Pitalpin and the blocks being much larger requiring an additional 1,600 square metres of external wall insulation.
- 3.3. The costs will be met from allowances within the approved HRA Capital Plan.

## **4. MAIN TEXT**

- 4.1. Committee Report 466-2011 - Lochee Community Energy Saving Project approved by Housing Committee on 31st October 2011 approved the Council's participation in the CESP schemes at Whorterbank and Lansdowne/Pitalpin.

- 4.2. The CESP's will provide district heating schemes for the four multi storey blocks and external wall insulation. By upgrading the external insulation and render and installing a gas-powered district heating system the CESP's provide a mechanism to achieve SHQS compliance, provide warm, comfortable homes for tenants and address fuel poverty.
- 4.3. The Housing Department does not have sufficient resources to undertake these improvements alone, however working in partnership with Scottish Gas facilitates access to funding under the Community Energy Saving Programme (CESP), which can deliver these projects in Lochee at Lansdowne/Pitalpin Courts and at Ancrum/Burnside Courts.
- 4.4. Delivering the CESP's contributes to the ongoing regeneration of Lochee and will enhance the quality of life for the residents. The blocks will become more popular for applicants and tenants. Carbon emissions and fuel poverty issues will be reduced assisting households in multiple deprivation.
- 4.5. CESP was introduced in 2009 and will end in 2012. Therefore the projects in Lochee require to be delivered over the remainder of 2012. Scottish Gas will retain the services of their current sub-contractors in the interests of transferring knowledge and skills and securing continuity of employment. The main electrical and plumbing contractor is McGill Electrical Ltd. Opportunities for training and employment will be maximised.

## 5. **POLICY IMPLICATIONS**

- 5.1. This Report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management. There are no major issues.

## 6. **CONSULTATIONS**

- 6.1. The Chief Executive, Director of Corporate Services, Head of Democratic and Legal Services and all other Chief Officers have been consulted on the preparation of this report. No concerns were expressed.

## 7. **BACKGROUND PAPERS**

- 7.1. None.

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