

**ITEM No ...2.....**

**REPORT TO: HOUSING COMMITTEE 7 DECEMBER 2015**

**REPORT ON: EXTERNAL WALL INSULATION – HOME ENERGY EFFICIENCY PROGRAMME FOR SCOTLAND AND HEEPS CASHBANK FOR SOCIAL HOUSING**

**REPORT BY: EXECUTIVE DIRECTOR OF NEIGHBOURHOOD SERVICES**

**REPORT NO. 434-2015**

**1. PURPOSE OF REPORT**

- 1.1. To gain Committee approval for a further external wall insulation project within the 2015/16 Capital programme.

**2. RECOMMENDATIONS**

It is recommended that:

- 2.1. Approval be given for the projects below at:

<b>Development</b>	<b>No of Properties</b>	<b>HEEPS-ABS £000s</b>	<b>ECO Funding £000s</b>	<b>Council Contribution £000s</b>	<b>Total Cost £000s</b>
Hospital Street	48	172,500	15,576	150,730	<b>338,806</b>
<b>HEEPS Cashback Scheme</b>					
Mid Craigie 2 <sup>nd</sup> Cottages	33	98,790	-	263,000	<b>361,790</b>

**3. FINANCIAL IMPLICATIONS**

- 3.1. A contribution for tenanted properties of £413,730 will be required from the HRA Capital budget. The remainder of this expenditure is being met from ECO, HEEPS-ABS and HEEPS Cashback.

**4. MAIN TEXT**

Resources are available to fund external insulation for Council owned properties within the current 5 year HRA Capital budget. However the Council requires to maximise funding from the Home Energy Efficiency Programme for Scotland – Area Based Schemes (HEEPS-ABS) funding from the Scottish Government and Energy Company Obligation (ECO) funding from utility companies to ensure owner occupiers can be included in the programme, particularly where they form part of a mixed tenure block and their agreement is necessary for works to proceed to the whole block.

- 4.1. The Council has been successful in being awarded £2.647million HEEPS-ABS funding from the Scottish Government for 2015/16.

Due to favourable tenders for previous locations in this programme in 2015/16 it is now possible to bring forward the above locations from the 2016/17 programme. This will maximise HEEPS spend from the allocation of £2.647m for 2015/16 and the Council contribution can be met from the existing External wall insulation Capital budget. The contractor for this project will be Environment Department Contract Services and the ECO funding has been secured under the existing Partnership with SSE who will act as Client for the project.

- 4.2. This project comprises 48 properties with a client contribution of £150,730 net of the ECO and HEEPS-ABS contributions.
- 4.3. In addition to the Hospital Street project the Council has been successful in securing £98,790 of funding through the HEEPS Cashback Scheme to provide external wall insulation to owners and tenants of cottages at Mid Craigie (Agenda Note 171-2015, Article II, Housing Committee 24 August, 2015 refers). The project will be delivered by SSE alongside the project currently being completed at the flats in the same development. The project cost is £361,790 with funding from HEEPS Cashback of £98,790. The Council contribution will be £263,000.

## 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, the Executive Director of Corporate Services and Head of Democratic and Legal Services have been consulted and are in agreement with this report.

## 7. **BACKGROUND PAPERS**

None.

ELAINE ZWIRLEIN  
Executive Director of Neighbourhood Services

RS/AR

19 November 2015