

**ANGUS COUNCIL**

**NEIGHBOURHOOD SERVICES COMMITTEE – 20 AUGUST 2009**

**SUCCESSFUL APPLICATIONS TO ATTRACT HOME INSULATION INVESTMENT TO ANGUS**

**REPORT BY THE DIRECTOR OF NEIGHBOURHOOD SERVICES**

**ABSTRACT:** This report informs committee members of two; successful applications to the Scottish Government for considerable home insulation investment and outlines plans to utilise the funds in a co-ordinated fashion.

**1. RECOMMENDATION**

1.1 It is recommended that the committee approve that:

- (i) The Council should, where possible, align expenditure of Energy Assistance Package grant money within the project area of the Home Insulation Scheme, to enable co-ordinated operational delivery of the 2 investment streams.
- (ii) An exemption from normal tendering requirements be granted on the basis of Financial Regulation 16.22.4(b)(vi) as set out at paragraphs 5.2 and 5.3; and
- (iii) The Council utilise EAGA Home Services to manage insulation surveys and installations under the Energy Assistance Package and draw down Carbon Emission Reduction Target (CERT) money so that additional funding is maximised and co-ordinated with similar work being undertaken within the Home Insulation Scheme.

**2. BACKGROUND**

2.1 Angus Council has been working hard for several years to deal with the issue of fuel poverty, this being the over-riding aim of the fuel poverty strategy, and a major objective in the Local Housing Strategy. The Council also has a duty, as a signatory (in 2007) of the Climate Change Declaration, to reduce domestic greenhouse gas emissions in order to tackle the threat of climate change.

2.2 The Council has devoted a substantial amount of investment in recent years to insulating its own housing stock, ensuring that all properties meet the energy efficient criteria in the Scottish Housing Quality Standard. However, there are still areas for improvement, and the Council is working hard to ensure that there are no gaps in this provision. There is also a major challenge to achieving carbon reduction objectives in the private sector. However, the amount of resources that can be provided is inevitably limited. It is therefore desirable to take every opportunity to maximise external funding for energy efficiency activity in Angus through a partnership approach so that all residents benefit from improvements and advice that would otherwise be difficult to deliver.

2.3 Consequently applications were made by Council officers to the Scottish Government for participation in 2 funding schemes:

- The new area based Home Insulation Scheme (HIS)
- The Energy Assistance Package (EAP)

Both of these applications have been successful and will result in considerable additional investment in Angus although the exact value of the funding is unknown at this time.

**3. THE 'HOME INSULATION SCHEME' (HIS)**

- 3.1 Angus Council has been successful in bidding to become one of a small number of selected HIS areas in Scotland. The successful bid covers some 14,000 homes in and around Brechin and Montrose, which could potentially provide an additional £2 million investment for the Angus economy in terms of employment opportunities and construction industry activity. The project will also increase the disposable income of householders by reducing fuel bills and maximising benefit uptake. HIS will take a street by street approach and seek to make contact with every household in the area. The project aims to deliver energy assessments and benefit / tariff checks with households being offered free or heavily discounted loft and cavity insulation. The Scottish Government has pledged £15million to the project nationally, with the aim of supporting this with matched funding from other sources, including local authorities. It is expected that energy companies will provide funding for insulation measures from the Carbon Emission Reduction Target (CERT) scheme through an installation manager in the same way that work under the Energy Assistance Package (EAS) is provided.
- 3.2 Although overall delivery of the scheme will be managed by the Energy Saving Trust (EST), the Council will provide a supportive role by: endorsing marketing literature; promoting the scheme through Council literature and publications; ACCESS staff providing basic project information and signposting customers to the EST; potential provision of office space; and Housing officers providing expertise and knowledge on property types. There is also potential for some Housing capital and planned maintenance programmes to be aligned with the project area where a joined up approach could bring benefits to Council tenants.
- 3.3 A number of organisations will participate, including: SCARF (Save Cash and Reduce Fuel - the Energy Saving Scotland Advice Network centre for North East Scotland), Citizens Advice Bureau, Angus Community Health Partnership, Community Planning Partnership, NHS Scotland, local Community Councils and Housing Associations.

#### **4. THE ENERGY ASSISTANCE PACKAGE (EAP)**

- 4.1 £64,000 has been awarded to Angus Council under the Social Sector Stage 3 of EAP for the period 2009-11. This provides funding for a mix of insulation measures to Council owned stock consisting mainly of draughtproofing, loft and cavity insulation, as well as the provision of energy advice and light bulbs.
- 4.2 It is recommended that where possible, a large proportion of expenditure of this grant should be aligned within the project area of HIS (Brechin and Montrose areas), subject to the practicalities of the project timetable. This will help to support the aims of the area project and will provide a co-ordinated approach to delivering energy efficiency improvements. Expenditure will however be based on need determined by physical survey, and a proportion of the grant will also be utilised in other areas of Angus already identified as requiring improvement.
- 4.3 Under the grant criteria the Council must maximise additional funding through drawing down Carbon Emission Reduction Target (CERT) money so that the highest possible number of installations are achieved. This will also allow co-ordination with CERT funded work being undertaken within the Home Insulation Scheme.
- 4.4 Because of this it is recommended that the Council utilise EAGA Home Services to manage both the work under EAP, and the funding opportunities through CERT. They are a specialist insulation installation manager already approved under the Government's CERT scheme to carry out work to agreed rates and standards. They have contract arrangements in place with all the major energy suppliers to operate the complexities of this funding stream, and have extensive experience of matching insulation requirements to the optimum funding source from appropriate energy companies. Their knowledge of insulation requirements coupled with operational experience and grant management is seen as essential in enabling successful co-ordination of EAP and HIS. The EAP grant (awarded 12<sup>TH</sup> June 2009) imposes a very tight schedule which would make it extremely difficult to tender this work and still ensure that the grant allocation is fully spent within the milestones set by the Government. If the first year's allocation is not fully spent, the second year's funds will be re-allocated to another local authority.

#### **5. EXEMPTION FROM NORMAL TENDERING REQUIREMENTS**

- 5.1 Section 16 of the Council's Financial Regulations requires that where the value of items being procured is beyond Chief Officers' delegated authority, full competitive advertised tendering, followed by Committee approval, is required. Any departure from this requirement must be considered under the Exemptions Scheme contained in the Financial Regulations and which requires the approval of either the Exemption Co-ordinator or the appropriate Committee.
- 5.2 In light of the detail noted in Sections 3 and 4 above, in particular at paragraph 4.4, it is not considered beneficial to the Council to tender for consultancy services to manage the EAP and CERT funding opportunities. Rather it is considered beneficial to the Council to appoint EAGA Home Services to undertake this role (as outlined at 4.4 above) and that value for money in this regard is ensured as EAGA have been approved under the CERT scheme through central government procurement routes.
- 5.3 Accordingly an exemption from the normal tendering requirements of Section 16 is requested on the basis of Financial Regulation 16.22.4(b)(vi) "it is beneficial to the Council that ... a specific contract .... should be negotiated with a particular party" and members are asked to approve this exemption.

## **6. FINANCIAL IMPLICATIONS**

- 6.1 Insulation work to the Councils' houses under EAP will in the first instance be paid for from the Housing Revenue Account, but monies will subsequently be re-imbursed through the grant claim procedure at the end of each financial year, so that it is ultimately cost neutral to the Council.
- 6.2 In terms of the HIS, it is envisaged that there will be an increase in ACCESSLine enquiries over the 6 months of the HIS project, but because of the variable nature of these it is difficult to quantify at this time. Co-ordination of Council support will be undertaken by officers in Housing. It is envisaged however that these activities will be managed from within current resources. Rent-free use of office space in Brechin has been offered for up to 1 year, as part of the application, at a maximum value of £5320, but with low demand for office accommodation in the current economic climate this may not be an actual loss of income. Discussions are currently taking place with EST as to their precise requirements.

## **7. HUMAN RIGHTS IMPLICATIONS**

- 7.1 There are no Human Rights implications arising from this report.

## **8. EQUALITIES IMPLICATIONS**

- 8.1 The issues dealt with in this report have been the subject of consideration from an equalities perspective (as required by legislation). An equalities impact assessment is not required

## **9. SINGLE OUTCOME AGREEMENT**

- 9.1 This report contributes to the following local outcomes contained within the single outcome agreement for Angus:

- Sustainable business growth is achieved.
- The health of the Angus population is improved.
- Health inequalities are tackled.
- Good quality housing is available to all in communities throughout Angus
- Children and their families have access to high quality services when required and are assisted to overcome the social, educational, physical, environmental and economic barriers that create inequality.
- Good quality housing is available throughout Angus

## **10. CONSULTATION**

- 10.1 The Chief Executive, the Director of Corporate Services, the Director of Infrastructure Services, the Head of Finance and the Head of Law & Admin have been consulted on the content of this report.

## **11. CONCLUSION**

- 11.1 Angus Council have in recent years initiated and been involved in a range of projects and activities to reduce the incidence of fuel poverty, including substantial investment in the Council's own housing stock. This track record of effective delivery has been an important factor in successfully securing investment in the Angus housing stock through HIS and EAP.

**RON ASHTON  
DIRECTOR OF NEIGHBOURHOOD SERVICES**

**NOTE:** The background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) which were relied on to any material extent in preparing the above Report are:

- Angus Council Report 419/09 "Proposal for involvement in the home insulation scheme"  
Neighbourhood Services Committee. 28<sup>th</sup> May 2009

**Hsg/NS/AMcK/JM**

# EQUALITY SCREENING

## Policy Control Document

**Name of Policy, Procedure or Report**      Successful Applications to attract Home Insulation Investment to Angus

**Lead Department/Service**      Neighbourhood Services – Housing

What is the aim of the policy, procedure or report?

This report informs Committee Members of 2 successful applications to the Scottish Government for considerable home insulation investment and outlines plans to utilise the funds in a co-ordinated fashion.

Is this a new or a review of an existing policy, procedure or report?

A follow-up report reporting successful investment applications.

### Screening Process

Has the policy, procedure or report already been assessed for its impact on people from different racial backgrounds, people of different genders and people with disabilities.

Yes       No

**If Yes**, unless there have been significant changes, no further action is required. Please sign and date immediately below and retain for reference.

**If No**, does the policy, procedure or report involve or have consequences for the people the council serves or employs?

Yes       No

**If yes, proceed to Step 1 of the Full Impact Assessment on page 2.**

If no, please state why not

**If no, The policy, procedure or report is not relevant and no further action is required.**

Please sign and date immediately and keep for reference

**Name:**      John Morrow

**Signature:**      \_\_\_\_\_

**Date:**      6/7/09