



# AFFORDABLE WARMTH & HOME

ENERGY EFFICIENCY STRATEGY - 2019-2023

EXECUTIVE SUMMARY



## Executive Summary

Scottish Borders Council is committed to creating a region that is fair for everyone and where we all have an equal and positive chance to succeed. Tackling fuel poverty will be a key step towards achieving this. Our aim is to provide affordable warmth and healthy homes for everyone living in the Borders.

Our Community Plan sets out the commitment to reduce inequalities and one of the key identified outcomes of that plan is that “More people are able to afford to heat their homes”. The Local Housing Strategy (LHS) 2017-2022 is our key strategic document for planning and delivering initiatives to reduce fuel poverty and improve home energy efficiency. Priority 2 of the LHS is that “More people live in good quality, energy efficient homes”.

Fuel poverty occurs when households cannot afford to keep their homes adequately warm because the costs of heating are higher than average and paying for those costs leave them below the poverty line. This affects around 31% of households in the Borders, where the rural nature of the area, the type of housing and the low wage economy, contributes to higher levels than the Scottish average.


To support Priority 2 of the LHS, the new Borders Home Energy Forum has developed this Affordable Warmth and Energy Efficiency Strategy (AWHEEs). The Strategy will run to 2023 and will be regularly reviewed by the LHS Partnership Group and the Borders Home Energy Forum. It takes lead and inspiration from the Council’s commitments to fuel poverty and home energy efficiency, as well as the ongoing wider Scottish Government support to provide an effective Strategy that delivers for all in the Scottish Borders. The Strategy accounts for the interests, challenges and priorities that make the Scottish Borders what it is. Importantly, it provides Actions to deliver affordable warmth for those that need it most and, a requirement to increase the energy efficiency of all homes regardless of circumstance – providing multiple benefits that reach out to the homeowner, providers and the wider supply chain.

There is substantial evidence of the wider co-benefits associated with pursuing energy efficiency; there are also wider benefits associated with raising households out of fuel poverty. An over-arching priority for the Strategy is that the co-benefits are maximised and any unintended impacts of installing energy efficiency measures are minimised, ensuring appropriate mitigation plans are put in place.

### The Vision and Priorities

Covering the period 2019-23, the Vision is that:

**‘More people live in energy efficient and affordably warm homes’**



The Priorities that work towards fulfilling this Vision are:

**Priority 1**  
To collectively work with our partners to improve affordable warmth and energy efficiency in homes.

**Priority 2**  
To explore wider measures to better manage energy and increase warmth in the home.

**Priority 3**  
To ensure that the AWHEEs provides opportunities for all in the Scottish Borders.

## Priority 1: To collectively work with our partners to improve affordable warmth and energy efficiency in homes

The priority here is that the Scottish Borders are able to collectively work together to improve affordable warmth and energy efficiency in homes. With the release of the new Fuel Poverty Bill and the Energy Efficient Scotland Route Map by the Scottish Government there is considerable effort and interest in delivering energy efficiency and affordable warmth to all households across Scotland. Success will be determined by delivering on the Strategic Outcomes and by actions that can attract funding for and deliver mechanisms towards achieving national Government priorities.

### The Outcomes for Priority 1 are:

1. Deliver successful projects under the Energy Efficient Scotland programme.
2. Fuel poverty in the Scottish Borders decreases.
3. Social housing meets EESSH 1 target and works productively to meet EESSH 2 target.

### The Actions for Priority 1 are:

1.1	Continue to deliver Energy Efficient Scotland projects in the Tweeddale Locality.
1.2	Continue to develop and deliver a LHEES for Peebles.
1.3	Continue to attract funding for, and deliver HEEPS:ABS.
1.4	Identify new and existing schemes to leverage funding to support the fuel poor.
1.5	Apply for future funding to expand the Energy Efficient Scotland projects in the Borders out into other Localities and towns.
1.6	RSLs to ensure all properties comply with EESSH1 & 2 Standards and identify and support funding opportunities where appropriate.
1.7	Proactively inform private landlords of requirements for Energy Efficient Scotland and engage further to outline support, resources, funding opportunities and advice.
1.8	SBC colleagues, Scottish Government, and wider delivery partners to work collectively to understand better approaches to monitor progress against Energy Efficient Scotland, fuel poverty and LHEES targets.
1.9	Use local intelligence, the Borders Home Energy Database and mapping to target areas and tenures eligible for energy efficiency improvements and fuel poverty support.
1.10	Gather data relating to the new fuel poverty definition to ensure that the AWHEEs remains fit for purpose.
1.11	Write and maintain a Statement of Intent for the ECO Flexible Eligibility Local Authority scheme.
1.12	Ensure the Borders Home Energy Forum remains fit for purpose in terms of membership, networks and priorities.

## Priority 2: To explore wider measures to better manage energy and increase warmth in the home

Whilst the majority of Scottish Government policy is exhaustive in its inclusion on energy efficient measures, the policies tend to focus more so on technology based solutions. As a result, this Priority focuses on wider measures, approaches and mechanisms that are able to support poorer households and energy inefficient homes. In particular it outlines wider measures to address affordable warmth in addition to increasing energy efficiency.

### The Outcomes for Priority 2 are:

1. Increase in referrals to trusted organisations on advice relating to energy efficiency measures and behavioural change; fuel debt advocacy services and; income maximisation and money advice.
2. Operate a thriving website as a central point of call for affordable warmth and energy efficiency advice, referral mechanisms and funding opportunities.
3. More partners, community hubs and training services are able to provide advice and support on affordable warmth and energy efficiency and host relevant events.

### The Actions for Priority 2 are:

2.1	Develop opportunities to engage and support households in relation to behavioural change, energy efficiency and affordable warmth in the home.
2.2	Develop opportunities to engage with households in relation to fuel costs.
2.3	Develop opportunities to engage with households in relation to income maximisation.
2.4	Collaborating with the SBC Communities and Partnerships team, Social Care and Health and NHS Borders, create a database of intermediary community groups and services that can collaborate with SBC, to equip them with advice, support and referral mechanisms on affordable warmth and energy efficiency.
2.5	Apply for grant funding to increase awareness on energy efficiency and fuel poverty issues throughout households.
2.6	Develop an increased web presence on the SBC website and on social media to promote energy efficiency and affordable warmth in the home, referral mechanisms and funding opportunities.
2.7	RSLs in the Scottish Borders work collectively to create a clear and concise guide to funding for EESSH.

### Priority 3: To ensure that the AWHEEs provides opportunities for all in the Scottish Borders

The AWHEEs should mean something to all individuals in the Scottish Borders. It should support all tenure types and homeowners to be more energy efficient and to have access to affordable warmth. Additionally, the AWHEEs needs to cut across the full supply chain and provide enablers for all relevant stakeholders to progress and prosper in the opportunities the energy efficiency agenda presents.

#### The Outcomes for Priority 3 are:

1. Significant increase in the number of referrals to Home Energy Scotland for households that reside in rural, off-gas grid properties and/or contain elderly and vulnerable individuals.
2. Significant increase in the number of referrals to Home Energy Scotland for the self-funded, owner occupied market.
3. Clear support routes to encourage members of the supply chain to engage in energy efficiency work.

#### The Actions for Priority 3 are:

3.1	Ensure all support extends to, and is relevant for rural and/or off-gas grid areas.
3.2	Ensure all support extends to, and is relevant for the elderly and vulnerable and; households that are experiencing child poverty.
3.3	Develop best practice on engaging the 'self-funded' market to develop a programme of encouragement and support for this these homeowners.
3.4	Ensure bottlenecks with regards to mixed tenure blocks are minimised.
3.5	Explore opportunities to understand better the Scottish Borders energy efficiency supply chain, in terms of challenges, barriers and opportunities to increasing work in this area.
3.6	Engage with Borders College to explore opportunities to increase training on energy efficiency measures.
3.7	Remain proactive with regards to Borderlands and South of Scotland Economic Partnership funding and projects.
3.8	Develop a series of case studies to be used as best practice to incentivise other homeowners to take up and/or invest in energy efficiency in the home.
3.9	Develop an evidence base relating to the behaviour in the home post energy efficiency improvement.
3.10	Develop an evidence base for engagement to understand better the stages at which homeowners drop out of the energy efficiency 'journey' and identify the specific barriers and reasons for their exit.

## Defining Affordable Warmth, Fuel Poverty and Energy Efficiency within the local context

Affordable warmth is the ability for a homeowner to heat their home to an adequate level to achieve household comfort and health without incurring a debt. In Scotland, a household was considered to be in fuel poverty if it spends more than 10% of household income on fuel, and in extreme fuel poverty if it spends more than 20%. A new definition is currently being finalised by Scottish Government.

There are four main factors that influence whether a household is in fuel poverty:

1. Household income – the cost of heating a property forms a greater proportion of total income for those on low incomes.
2. Fuel costs – the prices of different types of fuels varies considerably; in some areas/properties consumers are unable to choose an economical type of heating systems. Even with high levels of investment in energy efficiency measures, the recent increases in fuel prices have pushed many families back into fuel poverty.
3. Energy efficiency – thermal quality of the building and the efficiency of the heating source impact on heating costs.
4. How people use their heating systems and live within their home.

In terms of population split, 53% of the population in the Scottish Borders live in rural areas, compared with the national figure of 21%. Furthermore, approximately one third of properties are off the gas grid. Rural and off-gas areas are considered more challenging with regards improving home energy efficiency. Furthermore, the proportion of over 75s is projected to increase by almost 34% by 2026 and this is anticipated to present further challenges with regards to providing affordable warmth for all. Under the current definition for fuel poverty 31% of households in the Scottish Borders are fuel poor; 8% are extreme poor. Additionally, using the Scottish Index of Multiple Deprivation, 7 datazones fall into the “20% most deprived” in Scotland: these are located in Hawick Central, Burnfoot, Langlee and Selkirk areas.

### Policy and Strategy Context and Ongoing work on Affordable Warmth

There are strong linkages between national and local policies and strategies and these have shaped the policy landscape for which the AWHEEs would sit within. There is a wealth of ongoing work that is improving the quality of life for many residents in terms of providing affordable warmth, advice and support.

Home Energy Scotland (HES) is funded by the Scottish Government and managed by the Energy Saving Trust to provide free and impartial advice on ways to save energy, reduce fuel bills and make homes cheaper and easier to heat. They also offer income maximisation services such as signposting and referring for benefit checks and tariff support, as well as signposting and referring customers to their switching services if they want to find out about switching energy supplier.

#### 2016/17 – 18/19 Home Energy Scotland Stats:

15,122 total advice interactions in the Scottish Borders that led to 3,741 referrals.

These referrals have included loans, Warmer Homes Scotland referrals, Social Tariffs, Area Based Fuel Poverty Schemes and Citrus Energy Switching.

There are services across SBC, NHS Borders, Health and Social Care Partnership and Changeworks that provide advice and support on fuel poverty and provide referrals to Home Energy Scotland. These include: the What Matters Hubs and the Well Being Service, which can signpost attendees to HES; the Healthy Living Network, which has run dedicated sessions on ‘heating or eating’ and; the Energy Efficient Scotland project



in Peebles – the Change Works in Peebles hub – that focuses specifically on behavioural change and is engaging and supporting local householders and businesses to reduce energy consumption and fuel bills, as well as increasing the uptake of energy efficient measures;

Home Energy Efficiency Programme Scotland: Area Based Schemes (HEEPS:ABS) is one of the main fuel poverty programmes of work we are involved with. It is a grant award made available by Scottish Government for local authorities to develop and deliver fuel poverty programmes in areas they identify as having high fuel poverty. Programmes typically include external and internal wall insulation installation and cavity wall insulation. Over the last 10 years of working on private tenure energy efficiency programmes, there have been 10,784 measures have been installed across 8,171 households. This has been funded using £8.5m of Scottish Government funding and leveraged £1.1m of CERT funding and £2.6m ECO funding into the Scottish domestic energy efficiency sector.

The HEEPS:ABS Programme has delivered multiple social, local economic and community benefits including:

- Residents finding that their homes are easier to keep warm post installation of external wall insulation.
- The level of mould and/or condensation has reduced post installation of external wall insulation.
- Homeowners feeling less stress and anxious about energy bills.
- Local school engagement, work experience opportunities and employment of local tradespeople from the area when recruiting contractors.

Energy Efficient Standard for Social Housing (EESH) aims to improve the energy efficiency of social housing in Scotland. Social landlords are required to reach a set energy efficiency rating for a household based on the housing type and fuel type used to heat it. For all applicable social housing, the first milestone to reach the minimum rating is 31<sup>st</sup> December 2020 – so, by this date in the main, no social property will be lower than an EPC C or D. The approximate progress against EESH1 for the 4 local Housing Associations in the Scottish Borders is outlined in Table 1 – noting that improvements are made on a continual basis and that some properties may have a temporary exemption from EESH1.

**Table 1: Progress against EESH1 for the 4 main housing associations in the Scottish Borders**

	Berwickshire Housing Association	Eildon Housing Association	Scottish Borders Housing Association	Waverley Housing
Date updated	31/3/19	17/18 SHR	31/3/19	31/3/19
Self-contained properties – Total	1,784	2,270	5,646	1,529
Self-contained properties that do not meet EESH – Total	779	59	1,121	208
Self-contained properties that meet EESH - Total	1,032	2,211	4,455	1,321
<b>Percentage self-contained properties that meet EESH</b>	<b>57</b>	<b>97.4</b>	<b>79</b>	<b>86.4</b>

Borders (Source: Scottish Housing Regulator, 2018)

## **Implementation and monitoring**

A wider Implementation Plan that accompanies this report sets out clearly and brings together the outcomes, high level inputs, indicators and targets that underpin a successful delivery. It sets out in further detail the programme of work required to achieve each of the Priorities and Outcomes in the AWHEEs, to drive implementation and facilitate monitoring, evaluation and review.

The AWHEEs will be monitored and evaluated annually against the Implementation Plan, to ascertain progress and to enable remedial actions to be instigated promptly should they be required, and that services and partners are on track to deliver specific actions. The progress will be monitored by the Borders Home Energy Forum, as part of its remit and reported to the LHS Partnership Group. In addition to strategic monitoring, partners will be responsible for monitoring of their own operational functions, as they relate to the LHS outcomes.

The success and legacy of the Strategy will be measured through the ability of the project to deliver towards the Vision, Priorities and Outcomes. Success will also focus on the ability of the Strategy to build capacity to tackle home energy and affordable warmth within the Council and the functioning of the Borders Home Energy Forum. It will be an ongoing task for those working within the Strategy to ensure there is lasting legacy from any work undertaken and that the learning outcomes and wider lessons can be adopted successfully across the Scottish Borders.

Whilst the AWHEEs sets out an ambitious framework for action, investment and partnership to increase the home energy efficiency and affordable warmth in the Scottish Borders, it also must be set in the context of the likely resources available to support implementation. The full implementation of the AWHEEs will be subject to major challenges given the major constraints to public sector funding, the scale of resource and capacity required to deliver programmes such as Energy Efficient Scotland and the unknown impacts of factors such as Brexit. This takes place against a backdrop of increasing need for public services and substantial demand for affordably warm and energy efficient housing locally.



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HOUSING STRATEGY, POLICY & DEVELOPMENT

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