



Glasgow City Council

**Economy, Housing, Transport and Regeneration
City Policy Committee**

**Report by Executive Director of Neighbourhoods,
Regeneration and Sustainability**

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Item 5

19th November 2024

**GLASGOW'S AFFORDABLE WARMTH PROGRAMME:
DELIVERED PROJECTS DURING 2023/24 AND
PROJECT DELIVERY DURING 2024/25**

Purpose of Report:

The purpose of this report is to:

1. Outline the activities undertaken to progress the projects that were delivered through Glasgow's Area Based Schemes programme during 2023/24.
2. Inform committee of Glasgow's proposed programme of works, which will deliver energy efficiency measures to owner occupied and private landlord properties through utilising the Scottish Government's Heat in Buildings: Area Based Schemes Programme grant funding during 2024/25.

Recommendations:

Committee is asked to consider and note:

1. The projects delivered through Glasgow's Area Based Schemes programme during 2023/24.
2. Glasgow's Area Based Schemes programme of works for 2024/25.

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes ☐ No ☐ consulted: Yes ☐ No ☐

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1 Background

- 1.1 Scottish Government designated energy efficiency as a national infrastructure priority in 2015. The Scottish Government's [Heat in Buildings Strategy](#) delivery programme includes Area Based Schemes, which is a key delivery mechanism for this priority.
- 1.2 Glasgow's Affordable Warmth Programme is funded through the Scottish Government's Area Based Schemes programme (otherwise known as ABS). The ABS programme delivers energy efficiency measures, mainly external wall insulation, to private properties (owner occupied and private landlord owned). The programme is delivered by local authorities and the ABS is a voluntary scheme whereby owners/landlords "opt in" to participate in a project.
- 1.3 In line with Scottish Government guidance, Neighbourhoods, Regeneration and Sustainability (NRS) Housing are responsible for identifying households meeting the Scottish Government's ABS criteria in geographical areas that are:
 - Within the lowest 25% Scottish Index of Multiple Deprivation (2020).
 - In Council Tax Band A-C and Tax Band D in certain conditions.
 - Where people are living with conditions vulnerable to the cold.
- 1.4 Projects delivered through the Council's ABS programme focus on a 'fabric first' approach and consist, in the main, of external wall insulation in both traditional and non-traditional properties. Projects are identified by Glasgow City Council (GCC) through analysing data such as house construction type, profiling by area and reviewing previous measures undertaken. This enables viable projects, which meet the criteria outlined in the Scottish Government's guidance, to be developed at a suitable size and scale.
- 1.5 The ABS programme supports the delivery of key objectives outlined in [Glasgow's Local Housing Strategy 2023 to 2028](#) particularly in relation to Local Housing Strategy (LHS) priority 2 "Improving the energy efficiency of Glasgow's homes, reducing fuel poverty and supporting a Just Transition to Net Zero through decarbonising domestic heating and energy." The programme also aligns with the Council's [Local Heat and Energy Efficiency Strategy \(LHEES\)](#).

2 Glasgow's ABS 2023/24 Programme Review

2.1 2023/24 Programme Out-turn

- 2.1.1 GCC's drawdown of ABS grant funding from the Scottish Government was £3,393,757 against a potential of £6,845,492. A summary of the funded projects delivered in Glasgow through the 2023/24 ABS programme is outlined in Table 1. Energy efficiency measures were installed in a total of 223 owner occupied homes received during 2023/24 through the Council's ABS programme. There were 4 owners/private landlords who did not qualify for ABS grant and were required to contribute the full costs of works to participate in the two projects delivered by Queens Cross HA (one property in Dundasvale and three properties in Westercommon).

Table 1 – Glasgow's Area Based Schemes 2023/24 Programme Out-turn

Project	Owner Occupied	RSL	Total	Summary
Commonhead (Easterhouse)	6	0	6	Works to remaining properties included in 22/23 programme
Hardridge Road (Corkerhill)	4	0	4	Works to remaining properties included in 22/23 programme
Glaive Road (Knightswood)	8	0	8	Works to remaining properties included in 22/23 programme
Kempsthorn (Pollok)	101	0	101	23/24 programme – started on site during February 2024
Craigend (Easterhouse)	41	0	41	23/24 programme – started on site during April 2024
Barmulloch (Blackburns)	3	0	3	23/24 programme – started on site during May 2024
Balornock (Swedish Timbers)	0	0	0	Deferred to 2024/25 programme
British Iron and Steel Federation (BISF) Houses Pilot	0	0	0	Deferred to 2024/25 programme
Queens Cross HA (Dundasvale)	30	164	194	RSL partnership project
Queens Cross HA (Westercommon)	28	44	72	RSL partnership project
Wheatley Homes Glasgow	2	2	4	RSL partnership project
Total	223	210	433	

- 2.1.2 The procurement of contractors to deliver works to properties in Barmulloch, Balornock, Pollok and Craigend completed during September 2023. GMG started work to install measures to properties in Kempsthorpe (Pollok) during February 2024. Everwarm started work to install measures to properties in Craigend (Easterhouse) during April 2024 and Barmulloch during May 2024. Everwarm started work to install measures to properties in Balornock and the British Iron and Steel Federation (BISF) houses pilot during October 2024. Both contractors will continue to progress works in these five project areas during 2024/25.
- 2.1.3 The remainder of Section 2 outlines the challenges that GCC is experiencing in delivering the ABS programme and additional activities undertaken by NRS Housing and partners during 2023/24 to maximise the number of households living in project areas to access funding and associated measures.

2.2 ABS Delivery Challenges

- 2.2.1 GCC, similarly to some other local authorities, has, and continues to experience, a range of challenges associated with maximising the draw down of available ABS grant funding from the Scottish Government. The delivery challenges that relate to Glasgow include:

- **The single year allocation of grant funding and expected delivery timescales** – Delivering the ABS programme over a 15 month period is challenging. This is due the time required to develop programmes, prepare and assess tender documentation, with support from the Council's Corporate Procurement and Legal Services, appoint contractors and gain statutory consents before starting work on site. NRS Housing also has to establish interest from owners and landlords in areas and assess project viability. The Scottish Government has indicated that the allocation of single year funding will continue at present.
- **Grant eligibility for private landlords** – Private landlords may be eligible for fabric measures through the ABS programme if the landlord has three or less properties in their ownership. In this instance, they are eligible for a full ABS grant for one property in Scotland. Local authorities are required to seek a contribution from landlords for a second or third private rented property. Landlords who have four or more properties are not eligible for ABS grant funding, which has implications for delivering measures in mixed tenure blocks of flats. There are currently 39,916 private landlords registered in Glasgow.
- **Financial contributions from owner occupiers/private landlords** – Owner occupiers/landlords are required to contribute financially towards the delivery of works. The ability or willingness from owner occupiers/landlords to pay the required financial contribution can be a barrier to progressing delivery. This has a disproportionate impact in mixed tenure blocks.
- **Changes to funding rules** – Department for Energy Security & Net Zero (DESNZ) (previously BEIS), which is the UK Government Department responsible for ECO funding, issued guidance preventing blended funding between ECO4 and any other public funding such as ABS.

- **Cost of delivery** – The previous tendering exercise highlighted an increase in the cost of project delivery for ABS projects in Glasgow. Costs are linked to high inflation experienced in the construction sector. Delivery risk and project viability issues were discussed with the Scottish Government to ensure projects were supported and could progress.
- **Progressing works in blocks of flats** (such as 4 in a block and tenemental properties) – Title Deeds require all owners to participate. Given the scheme is not mandatory, there is a lack of willingness from some owners and private landlords to participate, which impacts on delivery. When residents seek legal advice this increases delivery timescales.
- **Specification of works required** – The specification of works to improve the energy efficiency of some archetypes in Glasgow through the ABS programme can be complex. Investigating and agreeing measures requires additional time and increases costs.
- **Essential Repairs** – There is an increasing need to consider necessary repairs before undertaking the installation of EWI to protect the integrity of the investment works. Areas of concern include, but are not limited to, roofs, soffits, fascias and balconies. Owners may decline to participate due to affordability.
- **PAS 2035 Standard** – PAS 2035 offers a framework for identifying and installing retrofit measures to existing buildings in the UK. The Scottish Government has set out in ABS guidance their expectation that local authorities broadly comply with PAS 2035. The new specification requires local authorities to agree their approach, work with design teams, contractors and owner occupiers/landlords to consider measures that meet the specification in relation to the property. This requires additional engagement and consideration, particularly between local authorities and contractors and owners/landlords.

2.3 ABS Programme Delivery Update

2.3.1 NRS Housing has undertaken, and continues to progress, a range of additional activities that are focussed on trying to accelerate delivery, increase the number of eligible households choosing to participate in the programme, maximise the draw down of available funding, and address some of the challenges outlined in section 2.2. The following key additional activities have been undertaken, or are in progress, by NRS Housing:

- Arranged a meeting with members of the Economy, Housing, Transport and Regeneration City Policy Committee during January 2024. The meeting allowed elected members and NRS officers to discuss how challenges could be addressed and identify actions to try and help promote and increase uptake from eligible households. Following the meeting, a letter was sent on behalf of the committee to the Scottish Government to request the allocation of multi-year funding and amending conditions associated with the provision of grant funding for private landlords. Whilst the Scottish Government has been unable to amend the funding conditions and agree to these requests, flexibility has been provided to allow a small number of properties classified as Council Tax Band D to be included in projects and benefit from measures. Such properties have been approved for inclusion

when certain conditions have been demonstrated by NRS Housing (for example, residents who lived in the lowest 25% Scottish Index of Multiple Deprivation and with conditions vulnerable to the cold).

- Arranged and met with five local authorities to discuss different approaches to delivery, undertaking procurement, engagement with households and how resources are applied. Meetings were held during November and December 2023. Learning from the approaches used by other local authorities that is relevant to Glasgow is being utilised to inform the development of future programmes.
- Contributed to the work of the Glasgow City Region Housing Retrofit Delivery Group including highlighting the delivery challenges that local authorities are experiencing across the City Region and supporting their approach to Scottish Government to try and influence change.
- Engaged with households and prepared case studies that highlight the benefits of the ABS programme and households who have participated have experienced. Information relating to the case studies is outlined in Appendix 1. Case studies will be shared with households who have an opportunity to participate in forthcoming projects funded by the ABS programme.
- Carried out additional engagement activities in local communities where projects were located. NRS Housing and The Wise Group have introduced an Early Intervention Service, which involves Wise Group staff visiting all households in each of the project areas to share key information including outlining the benefits of participating in the programme and installing funded measures such as external wall insulation. NRS Housing also held public meetings and drop in events in project areas and worked with Home Energy Scotland to record interest from households. This has assisted in helping households access the funding for measures.
- Worked closely with appointed contractors to maximise engagement activity with households in project areas. Contractor Client Liaison Officers actively worked with residents to progress sign up to the scheme in the project areas that are currently on site.
- Explored opportunities to work with Registered Social Landlords (RSL) to develop potential projects. An ABS engagement session for RSLs was held during March 2024, NRS Housing outlined information relating to the scheme criteria and the opportunity to provide funding through the programme to owners in mixed tenure blocks where RSL investment works could be planned. RSLs who previously benefited from ABS funding presented examples of project delivery during the session.
- Identified datasets that could be analysed and used to identify future project areas. NRS Housing is working with other Council Service to develop a data dashboard platform, which when created, will be used to identify potential households/housing that meet the Scottish Government's funding criteria and could be included in future ABS programmes.

3 Glasgow's 2024/25 ABS Programme

- 3.1 The Scottish Government's offer of grant has allocated GCC with a sum of £6,845,491 from the Heat in Buildings 2024/25 programme. Local authorities received their allocation based on the methodology applied by COSLA, which has been used to decide previous funding awards.

- 3.2 The Scottish Government requires local authorities to complete all projects included in the 2024/25 programme by 31st May 2025. The final drawdown of funding is to be submitted before 27 June 2025.
- 3.3 Work is currently on site in the Kempsthorpe (Pollok), Craigend (Easterhouse), Barmulloch and Balornock (Swedish Timbers and BISF houses pilot) areas with projects being progressed by appointed contractors. These projects are scheduled to complete during 2024/25. As of October 2024, an additional 89 households living in the four project areas had agreed to participate in the programme of works. This is 27% higher than anticipated and greater than the number of properties scheduled for delivery at tender stage.
- 3.4 NRS Housing is working with the Council's Corporate Procurement Unit to prepare tender documentation to appoint contractors to progress works in a further three project areas at Househillmuir (Pollok), Cleaves Road (Priesthill) and Penilee. The tender is anticipated to be issued during January 2025 and project programmes will be developed after contractors have been appointed.
- 3.5 There is capacity to spend the 2024/25 funding allocation of £6,845,491 on delivering measures in the seven project areas. However, this is dependent on the number of owners/private landlords who choose to participate in the scheme during the programme period and the ability of contractors to progress works on site after the procurement process has been completed.
- 3.6 No RSLs have proposed any projects that could be delivered as part of the Council's ABS programme during 2024/25. NRS Housing will continue to explore opportunities to work with RSLs to deliver measures in mixed tenure blocks across the city through future programmes.

4 Going Forward

- 4.1 NRS Housing will continue to work with partners in live project areas to maximise uptake and ensure all households who qualify for funding, and are interested in participating in the ABS programme, have the opportunity to do so.
- 4.2 NRS Housing will engage with contractors at the earliest opportunity after appointments have been confirmed. Work to ensure all statutory consents are secured at the earliest opportunity will also be progressed. This will limit the amount of lead-in time required prior to contractors commencing the delivery of new projects (Househillmuir (Pollok), Cleaves Road (Priesthill) and Penilee) during 2024/25. NRS Housing will also continue to explore and identify opportunities to reduce the scoping out and development time prior to starting work on site and develop a rolling programme, which will assist with progressing future delivery. The development of a data dashboard platform would also assist in progressing future delivery. Such a platform would allow officers to identify future geographical areas that meet the criteria outlined in the Scottish Government's guidance.

- 4.3 Owners and private landlords, who have agreed to participate, will have access to the Introductory Advice Service (Wise Group), Home Energy Scotland and our contracted energy advice provider HEAT. These organisations offer a range of services including bespoke energy advice. Such support will assist households through the provision of additional project information and maximise uptake. NRS Housing will engage with private landlords to gather evidence that highlights the reasons why they either choose not to or are unable to participate in ABS programmes.
- 4.4 NRS Housing will continue to work with the Scottish Government to explore ways to address the challenges that Glasgow is experiencing in relation to accelerating delivery, maximising the drawdown of funding from the ABS programme and increasing the number of homes that receive energy efficiency measures. It is recognised that the delivery challenges and the difficulties that the Council has experienced in being able to draw down the entire grant allocations during recent years has impacted on the loss of employment opportunities and meeting net zero targets. NRS Housing will continue to engage with RSLs to explore delivering measures in mixed tenure blocks across the city.

Case Study 1

Mrs. Bell recently participated in the Council's ABS programme and prior to participating was seeking to improve the energy efficiency and comfort of her home. Mrs. Bell, who lives in the Kempsthorne neighbourhood, advised that she received adequate information about the installation of external wall insulation from both the Council and the contractor. This information allowed her to make an informed decision to participate in the programme and she felt assured about the work being undertaken in her home.



Figure 1. EWI works completed on Mrs Bell's property in Kempsthorne

Mrs. Bell expressed satisfaction with the results of the work undertaken and advised "I'm loving the look of it. It's a nice finish." She has also reduced the use of her heating in her home. Additionally, Mrs Bell mentioned her plans to further enhance the energy performance of her home and advised that she is "now investigating the potential to install new windows so hopefully that will help even more."

"I have hardly had my heating on. I pay for mine every month and I have not had a big bill since the work has been done."

Mrs. Bell reflected positively on her experience and stated "it was a great programme." We asked Mrs Bell if she ever thought about receiving energy efficiency works before. She admitted that she had never considered such work before and was initially unaware of how affordable it could be.

Her perspective on the value of the ABS programme was clear when Mrs Bell added, "definitely, it's an absolute steal." This indicates her satisfaction with both the process and the funding provided to owners through the programme.

Case Study 2

Angela Barr, who lives in the Kempsthorne neighbourhood, recently participated in the Council's ABS programme and external wall insulation was installed to her home.

Angela lives in a mid-terrace house that has a gap between her house and the neighbouring property. Before the external wall insulation work was carried out, the living room was often cold. However, since insulation was installed, Angela has noticed a significant improvement in warmth of her home.

The transformation has been remarkable, and she is eagerly anticipating a much cosier winter.



Figure 2. Angela's property in Kempsthorne after the EWI had been installed.

“The difference between the brick finish and the new insulation is great. One of the best things that’s ever happened. I absolutely jumped at the chance to join.”

The overall effects of the external wall insulation have been overwhelmingly positive. Angela's home is now significantly warmer and her energy bills have reduced. Angela is very pleased with the results and the improvements in both comfort and efficiency and mentioned that the programme offered good value for money and delivered the expected benefits. She's now considering investigating whether her mother's property could receive improvement measures and be included in a future ABS programme.

Case Study 3

This case study outlines an overview of feedback received from an owner who lives in an end terraced property in Craigend. The two residents wish to remain anonymous and have been given the alias Mr and Mrs A.

NRS Housing spoke to Mrs A about her experience and the measures installed to her property through the Council's ABS programme. She found both the contractor and GCC to be highly reliable and supportive throughout the project. Mrs A. highlighted that "they were excellent," and provided particular praise for the site manager who consistently answered her calls and promptly addressed any issues. Mrs A. explained that GCC and the contractor both ensured that she was well-informed of planned work before starting to install the measures to her home and provided her with a clear understanding of the process from the outset.



Figure 3. Craigend properties display the front view of EWI.

"We have received so many compliments from people passing and a few people have applied/are going to sign up for the works since seeing our house. (We) would recommend the works to my neighbours, especially due to the cost."

Whilst the household has yet to experience living in the property through the winter period since the external wall installation was installed, Mrs. A. has already experienced an improvement stating that "they do feel the house is warmer." The house now retains warmth more efficiently and the householders have only need to turn their heating on a few times. Mr and Mrs A. are delighted with the work that was carried out and are particularly pleased with funding support provided through the ABS programme. They are now looking forward to experiencing the benefits of the external wall insulation going forward.

5 Policy and Resource Implications

Resource Implications:

<i>Financial:</i>	No direct costs. Part of HiBs:ABS funding can be used for Council administrative and enabling costs.
<i>Legal:</i>	No legal implications of this report.
<i>Personnel:</i>	No additional personnel implications.
<i>Procurement:</i>	HiBs:ABS projects are procured through Scotland Excel Procurement Framework and require input from Glasgow City Council's Procurement Services.

Council Strategic Plan:	Grand Challenge 1:- Reduce poverty and inequality in our communities Mission 3:- Improve the health and wellbeing of our local communities Grand Challenge 2:- Increase opportunity and prosperity for all our citizens Mission 2:- Support the growth of an innovative, resilient and net zero carbon economy Grand Challenge 3:- Fight the climate emergency in a just transition to a net zero Glasgow Mission 2:- Become a net zero carbon city by 2030
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Equality and Socio-Economic Impacts:

<i>Does the proposal support the Council's Equality Outcomes 2021-25? Please specify.</i>	The programme supports the reduction of fuel poverty and therefore contributes to multiple equality outcomes.
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What are the potential equality impacts as a result of this report?

Delivering Glasgow's HiBs:ABS programme and targeting investment towards hard-to-treat homes in fuel poor areas including measures such as external wall insulation and associated energy efficiency improvements is an action included in Glasgow's Local Housing Strategy 23-28. The Local Housing Strategy 23-28 was subject to an Equalities Impact Assessment. Against the backdrop of a cost-of-living crisis, action to mitigate high fuel costs will generate positive equality impacts for groups with protected characteristics.

Please highlight if the policy/proposal will help address socio-economic disadvantage.

The programme helps to mitigate against energy price increases and cost of living challenges for owners in poor and vulnerable households.

The Council's Corporate Procurement Unit utilises Scotland Excel's framework of contractors, which re-tendered in 2021, to deliver the Council's HiBs:ABS projects. There are 17 external wall insulation contractors on the framework, which makes provision for community benefits and Fair Working Practice.

Climate Impacts:

Does the proposal support any Climate Plan actions? Please specify:

Theme 3 Well Connected and Thriving City
Action 8: Continue to work with Scottish Government to maximise grant funding for Area Based Schemes to invest in improving energy efficiency and tackling fuel poverty in private sector housing.

Action 39: Encourage and enable retrofit of all existing owner-occupied housing to EPC level C or above, and to reduce flood risk (where appropriate).

What are the potential climate impacts as a result of this proposal?

The installation of energy efficiency measures will contribute to a reduction in CO₂. It is estimated that the 2023/24 ABS programme delivered circa 3,357 (tCO₂) lifetime carbon savings based on Energy Saving Trust figures.

<p><i>Will the proposal contribute to Glasgow's net zero carbon target?</i></p>	<p>The delivery of the ABS programme can save carbon and reduce energy use to benefit the environment, contributing to the city's net zero carbon target. By June 2024, energy efficiency measures were installed in circa 11,250 properties across 88 project areas since the fund was established in 2013/14.</p>
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Privacy and Data Protection Impacts:

<p>Are there any potential data protection impacts as a result of this report Y/N</p>	<p>Yes. Measures are in place to ensure the use of personal data complies with the current Data Protection laws.</p>
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<p>If Yes, please confirm that a Data Protection Impact Assessment (DPIA) has been carried out</p>	<p>DPIAs have been carried out for both installers and partner organisations involved in the delivery of the ABS programme</p>
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6 Recommendations

Committee is asked to consider and note:

1. The projects delivered through Glasgow's Area Based Schemes programme during 2023/24.
2. Glasgow's Area Based Schemes programme of works for 2024/25.