

## REPORT TO SUSTAINABILITY COMMITTEE – 16 FEBRUARY 2022

### LOCAL HEAT AND ENERGY EFFICIENCY STRATEGIES DRAFT ORDER CONSULTATION

#### 1 Executive Summary/Recommendation

1.1 This report details Aberdeenshire Council's response to the Scottish Government on the Local Heat and Energy Efficiency Strategies (LHEES) Draft Order Consultation which places a duty on local authorities to produce a LHEES and Delivery Plans by 31 December 2023, and subsequently on a 5 yearly cycle. The consultation response from Aberdeenshire Council was to support this Order.

#### 1.2 The Committee is recommended to:

**1.2.1 Acknowledge the Aberdeenshire Council submission to Scottish Government on the Local Heat and Energy Efficiency Strategies Draft Order Consultation which was submitted under delegated powers following consultation (Appendix 2).**

#### 2 Decision Making Route

2.1 Consultations in 2017 gathered initial stakeholder views on proposals for local authority-level heat and energy efficiency plans. The then Sustainability Committee noted Aberdeenshire Council's response on 30 August 2017 ([item 7](#)). Since then, all 32 local authorities have been involved in piloting aspects of the LHEES approach, with Scottish Government funding support. Aberdeenshire Council took part in Phase 2 of these pilots in 2018/2019.

2.2 Aberdeenshire Council is currently involved in the most recent LHEES Local Authority Resource Call where a £44,000 grant was awarded for completing Stages 1 - 4 of the recently developed LHEES methodology with consultants Changeworks. This project will end on 31 March 2022 and an update will be provided at the next Sustainability Committee on 15 June 2022.

2.3 This consultation was issued on 6 January 2022, with a closing date of 2 February 2022 and Aberdeenshire Council was encouraged to submit a collective response. Aberdeenshire Council officers also attended a workshop on the 27 January 2022 to provide verbal feedback on the Order on behalf of the Council. The full consultation document can be found in **Appendix 1** and the response can be found in **Appendix 2**.

2.4 As specified by the [Scheme of Governance](#), due to the timelines of Sustainability Committee meetings, the draft response was sent to the Chair, Vice Chair, and main Opposition Spokesperson of the Committee for consultation and review prior to submission.

### 3 Discussion

- 3.1 Through LHEES, the Scottish Government aims to drive area-based planning and delivery of the heat transition, supporting achievement of statutory emissions reduction targets. The strategies are long-term plans for decarbonising heating in buildings and improving energy efficiency across an entire local authority area and sits at the heart of the Scottish Government's [Heat in Buildings Strategy](#).
- 3.2 The Heat in Buildings Strategy commits to having strategies and accompanying Delivery Plans in place for all local authority areas by the end of 2023 and also set out Ministers' intention to put LHEES on a statutory footing.
- 3.3 It is the intention that LHEES will form the basis for local public engagement and community involvement in decision making at the local level and also support investment planning by the electricity and gas networks.
- 3.4 Responses were received from officers within the following services:
- Environment and Sustainability
  - Housing and Building Standards
  - Planning and Economy
- 3.5 In summary, Aberdeenshire Council supports the Draft LHEES Order agreeing that a duty should be placed on local authorities to produce an LHEES and Delivery Plans by 31 December 2023, and subsequently on a 5 yearly cycle. However, it was also noted that additional resource requirement for the development and implementation of LHEES and Delivery plans will need to be considered and supported by the Scottish Government if this draft LHEES Order is to be passed and new duties are placed on Local Authorities. The full response to the consultation can be found in **Appendix 2**.

### 4 Council Priorities, Implications and Risk

- 4.1 This report helps deliver all six of the Council's Strategic Priorities.

Pillar	Priority
Our People	Education Health & Wellbeing
Our Environment	Infrastructure Resilient Communities
Our Economy	Economy & Enterprise Estate Modernisation

4.2 The table below shows whether risks and implications apply if the recommendation is agreed.

Subject	Yes	No	N/A
Financial			x
Staffing			x
Equalities and Fairer Duty Scotland			x
Children and Young People's Rights and Wellbeing			x
Climate Change and Sustainability			x
Health and Wellbeing			x
Town Centre First			x

4.3 There will be staffing and financial implications if LHEES becomes a statutory requirement and this has been addressed in the response to the consultation.

4.4 The screening section as part of Stage One of the Integrated Impact Assessment (IIA) process has not identified the requirement for any further detailed assessments to be undertaken. An IIA is not required because this report is to note a response to a consultation on a draft Order which has already been submitted.

4.5 The following [Corporate Risks](#) have been identified as relevant to this matter on a Corporate Level:

- ACORP001 – Budget Pressures (Our Environment and Our Economy)
- ACORP004 – Business and organisation change (including ensuring governance structures support change; managing the pace of change)
- ACORP005 - Working with other organisations (e.g. supply chains, outsourcing and partnership working)
- ACORP010 - Environmental challenges e.g. extreme weather events, climate change.

## 5 Scheme of Governance

5.1 The Head of Finance and Monitoring Officer within Business Services have been consulted in the preparation of this report and their comments are incorporated within the report and are satisfied that the report complies with the Scheme of Governance and relevant legislation.

5.2 Sustainability Committee is able to note this report in terms of Section S1.1 (b) of the [List of Committee Powers in Part 2A](#) in the Scheme of Governance. Chief Officers can submit a Council response to an external consultation on any policy matter, according to Section A22 of the List of Officers Powers in Part 2B of the Scheme of Governance, where the timescale for responding does not permit an opportunity for approval by the appropriate policy committee. "Any response submitted under this delegated power shall be made following consultation with the Chair and Vice Chair and main Opposition

Spokesperson of the appropriate policy committee, where possible, and must be reported to the next committee meeting”.

**Alan Wood**  
**Director of Environment and Infrastructure Services**

Report prepared by Claudia Cowie Team Leader Sustainability and Climate Change  
Date 5 February 2022

**List of Appendices:**

- Appendix 1 - Local Heat and Energy Efficiency Strategies (LHEES) Draft Order Consultation
- Appendix 2 - Draft LHEES Order Consultation Questions and Response



# LOCAL HEAT AND ENERGY EFFICIENCY STRATEGIES

## Draft LHEES Order consultation



## DRAFT LHEES ORDER CONSULTATION PAPER

1. This paper provides background on Local Heat and Energy Efficiency Strategies (LHEES), before setting out a draft Order that would place a duty on Scottish local authorities to produce Local Heat and Energy Efficiency Strategies and Delivery Plans.
2. Stakeholders are invited to provide feedback on the draft Order at a workshop on **27 January 2022, 2 – 4 pm**. Please email [LHEES@gov.scot](mailto:LHEES@gov.scot) to register. If you are unable to attend the workshop, please provide your response to the questions at the end of this paper by email to [LHEES@gov.scot](mailto:LHEES@gov.scot) by **2 February 2022**.
3. LHEES policy aims to drive area-based planning and delivery of the heat transition, supporting achievement of statutory emissions reduction targets. The strategies are long-term plans for decarbonising heat in buildings and improving energy efficiency across an entire local authority area.
4. Two consultations in 2017 gathered initial stakeholder views on proposals for local authority-level heat and energy efficiency plans. Since then all 32 local authorities have piloted the LHEES approach, with Scottish Government funding support.
5. For each local authority area, local strategies will draw on a consistent, data-driven methodology to:
  - a. set out how the building stock (homes and non-domestic buildings) needs to change to meet national objectives, including achieving zero greenhouse gas emissions, and the removal of poor energy efficiency as a driver of fuel poverty;
  - b. identify heat decarbonisation zones, setting out primary measures for reducing emissions, with a view to zones acting as a potential trigger for regulation in the future if required; and
  - c. prioritise areas for investment, both private sector and through public delivery schemes, against national and local priorities.
6. [The Heat in Buildings Strategy](#) (HBS) commits to having Strategies and accompanying Delivery Plans in place for all local authority areas by the end of 2023. The HBS also set out Ministers' intention to put LHEES on a statutory footing, with a duty placed on local authorities to develop Strategies and Delivery Plans. A statutory basis will ensure consistency and comprehensive coverage across Scotland against a common minimum standard, and raise the profile of local Strategies with industry and investors. A duty would also require the Scottish Government to ensure that appropriate resource is provided.
7. The Order would use the powers under section 44 of the Climate Change (Scotland) Act 2009 to place a duty on local authorities to produce Local Heat and Energy Efficiency Strategies and Delivery Plans by 31 December 2023, and subsequently on a 5 yearly cycle, in line with guidance to be provided by Scottish Ministers.

## **DRAFT LHEES ORDER**

1. This Order may be cited as the Local Heat and Energy Efficiency Strategies (Scotland) Order 2022 and comes into force on [TBC] 2022.

2. In these Regulations—

“local heat and energy efficiency strategy” has the meaning given in article 4.

“local heat and energy efficiency delivery plan” has the meaning given in article 5,

### **Duty to prepare a Local Heat and Energy Efficiency Strategy and Delivery Plan**

3.—(1) A local authority must, in accordance with this Order, prepare, publish and update—

(a) a local heat and energy efficiency strategy, and

(b) a local heat and energy efficiency delivery plan.

(2) A local authority must publish its first local heat and energy efficiency strategy and its first local heat and energy efficiency delivery plan on or before 31 December 2023.

(3) A local authority must—

(a) keep its local heat and energy efficiency strategy and its local heat and energy efficiency delivery plan under review.

(b) publish an updated local heat and energy efficiency strategy at intervals of no more than 5 years after the date of publication of the previous strategy.

(c) publish an updated local heat and energy efficiency delivery plan at intervals of no more than 5 years after the date of publication of the previous delivery plan.

(4) A local authority must have regard to the guidance issued under article 6 when preparing its local heat and energy efficiency strategy and its local heat and energy efficiency delivery plan.

### **Local Heat and Energy Efficiency Strategy**

4.—(1) A local heat and energy efficiency strategy is a long-term strategic framework for—

(a) the improvement of the energy efficiency of buildings in the local authority’s area, and

(b) the reduction of greenhouse gas emissions resulting from the heating of such buildings.

(2) A local heat and energy efficiency strategy is in particular to include proposals in relation to the way in which buildings in the local authority’s area are heated can be altered, in order to—

(a) improve the energy efficiency of such buildings,

(b) reduce the emission of greenhouse gases produced by or otherwise associated with the heating of such buildings.

## Local Heat and Energy Efficiency Delivery Plan

5.—A local heat and energy efficiency delivery plan is a document setting out how a local authority proposes to implement its local heat and energy efficiency strategy.

### Guidance

6.—(1) The Scottish Ministers must publish guidance relating to the production and content of—

- (a) a local heat and energy efficiency strategy,
- (b) a local heat and energy efficiency delivery plan.

(2) The Scottish Ministers must consult with local authorities in preparing guidance under paragraph (1).

### Provision of information

7. A local authority must, if requested to do so by the Scottish Ministers in order to inform the formulation or implementation of national policy, provide the Scottish Ministers with information in relation to the implementation by a local authority of its local heat and energy efficiency strategy and/or its local heat and energy efficiency delivery plan.

-----

## CONSULTATION QUESTIONS

1. Do you agree that a duty should be placed on local authorities to produce a Local Heat and Energy Efficiency Strategy and Delivery Plan?
2. Do you agree with the timescales set out to publish a first strategy and delivery plan by 31 December 2023, with each subsequent strategy and delivery plan published on a 5 year cycle?
3. Do you agree that strategies and delivery plans should be produced in line with guidance provided by Scottish Ministers, to be consulted on with local authorities? *[Note that guidance is likely to be based on the LHEES Methodology already provided to local authorities]*
4. Do you have any other feedback on the draft LHEES Order?

PLEASE SEND RESPONSES TO [LHEES@GOV.SCOT](mailto:LHEES@GOV.SCOT) BY 2 FEBRUARY 2022



## **Appendix 2: Draft LHEES Order Consultation Questions and Response**

### **1. Do you agree that a duty should be placed on local authorities to produce a Local Heat and Energy Efficiency Strategy and Delivery Plan?**

Yes. In principle, Aberdeenshire Council supports a duty being placed on local authorities to produce an LHEES and delivery plan. The requirement to produce the LHEES complements the efforts that local and national government are currently making on the Heat in Buildings Strategy, the Fuel Poverty Strategy, and meeting the Energy Efficiency Standard for Social Housing 2.

Additional resources are required for the development and implementation of LHEES and delivery plans. Resources currently are already very strained across local authorities and so how this will be addressed needs to be considered and supported.

Therefore if the Scottish Government wishes to see the LHEES delivered it should be a duty that is placed to produce the strategy, produce a delivery plan and then deliver the outcomes set out in the strategy. This duty should then see Councils given accompanying additional resource to support that duty. If the decision to only give Councils the powers to put in place a statutory strategy then the delivery aspect will become far less certain.

### **2. Do you agree with the timescales set out to publish a first strategy and delivery plan by 31 December 2023, with each subsequent strategy and delivery plan published on a 5 year cycle?**

Yes. The 5-year timeframe seems reasonable and consistent with most other duties placed on local authorities for producing strategies.

### **3. Do you agree that strategies and delivery plans should be produced in line with guidance provided by Scottish Ministers, to be consulted on with local authorities? [Note that guidance is likely to be based on the LHEES Methodology already provided to local authorities]**

Yes. It is important that a common methodology is used across all 32 local authorities. In addition, as some local authorities are already working on their LHEES development and utilising the current methodology we would support this being the position going forward. However, a degree of flexibility will be necessary so that each plan can focus on the local challenges and opportunities to ensure the area-based planning and delivery of the heat transition aim is reached.

Here is also the opportunity to support this work further by establishing a joint approach between Scottish Government, Local government, University/research networks and industry specialists to assist in the production of guidance on the systems which can be deployed as part of the delivery plans. This can then build in learning from previous technologies, support research into future options and potentially allow in the field testing.

### **4. Do you have any other feedback on the draft LHEES Order?**

As mentioned in question one, it is very important to address how the additional resource requirement for the development and implementation of LHEES and delivery plans will be considered and supported by the Scottish Government if this draft LHEES Order is to be passed.