

## REPORT TO SUSTAINABILITY COMMITTEE – 21 FEBRUARY 2024

### LOCAL HEAT AND ENERGY EFFICIENCY DRAFT STRATEGY CONSULTATION

#### 1 Executive Summary/Recommendations

1.1 This report comprises the draft Local Heat and Energy Efficiency Strategy (LHEES) for Aberdeenshire Council which we are seeking views upon through consultation. As part of the legislative requirement to produce an LHEES, we wish to gather opinions on whether we have captured the appropriate priorities and direction for our area in the first iteration of this strategy. This draft is for consideration by the Sustainability Committee as part of the wider consultation.

#### 1.2 The Committee is recommended to:

1.2.1 Consider and comment on the Draft Local Heat and Energy Efficiency Strategy (Appendix 1); and

1.2.2 Acknowledge that following public and stakeholder consultation on the strategy aims and priorities via Engage Aberdeenshire, expected to be completed in March 2024 the final draft of the Local Heat and Energy Efficiency Strategy will go to the next Full Council committee for approval.

#### 2 Decision Making Route

2.1 Local Heat and Energy Efficiency Strategies (LHEES) have been on the Scottish Government agenda for several years. Initial consultations were carried out in 2017 on stakeholder views regarding proposals for Local Authority level plans for Heat and Energy Efficiency. The Sustainability Committee noted Aberdeenshire Council's response on 30 August 2017 ([Item 7](#)). Following that, all 32 Local Authorities were 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. Results of these pilots enabled Scottish Government to develop the statutory order, refining the methodology and guidance for the requirement.

2.2 The Draft LHEES Order Consultation was responded to by Aberdeenshire Council on 2 February 2022. On 16 February 2022 ([Item 8](#)) the Sustainability Committee acknowledged the response which had been submitted by officers.

2.3 Following consultation and partnership working with COSLA (Convention of Scottish Local Authorities) and Local Authorities, the [Local Heat and Energy Efficiency Strategies \(Scotland\) Order](#) was laid in the Scottish Parliament on the 11 March 2022. It was then passed on 19 May 2022 and came into force on 21 May 2022. The Order requires each local authority to develop and publish a LHEES and Delivery Plan. The Order requires these plans and strategies to be kept updated and reviewed at intervals of no more than 5 years and also

requires the plans to have regard to the guidance published in support of the production of LHEES.

- 2.4 Scottish Government made funding available to enable authorities to resource the development of LHEES. We have utilised this funding to employ one dedicated officer and some consultancy support for data collation and GIS (Geographical Information System) work. There will be further stages linked to LHEES that we will work on in the coming year and beyond. Detailed development of the Delivery Plan is required as well as refinement of potential Heat Network Zones.

### **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.
- 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 support investment planning by the bodies who then develop and maintain the electricity and gas networks. The team have ensured that in taking this work forward colleagues within the Housing, Property and Local Development Plan teams have been fully engaged along with key regional partners in other authorities and agencies.
- 3.4 Aberdeenshire Council engaged Changeworks consultants to develop Stages 1 to 4 of the LHEES for the Aberdeenshire area as part of an earlier resource call which was separately funded by Scottish Government. Once the Order was approved, we further engaged Changeworks to support the full development of the Aberdeenshire LHEES.
- 3.5 The Heat Network analysis was limited to those areas where public or semi-public buildings could be used as anchor loads. Anchor loads are high heat demand buildings which would be key connections for a heat network as they are required to drive the economics of such systems. In our assessment, we limited selection to those with 2 or more potential anchor load buildings. The process has resulted in the identification of 14 potential Heat Network priority zones which may present opportunities for decarbonisation of heating requirements. These areas will be investigated further as part of identifying Heat Network Zones which is likely to be a further statutory requirement.

### **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 recommendations are 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 are staffing and financial implications now that the Order to make LHEES a Statutory Duty has been agreed. As previously highlighted, the LHEES for Aberdeenshire will potentially require a number of Aberdeenshire Council buildings to be anchor load buildings for various Heat Networks if they are designated and then come to fruition. In addition, there will be an expectation that as a Local Authority we lead the way in reducing carbon impact of our own building stock. Funding for either option has not been identified.

4.4 An Integrated Impact Assessment was carried out and is attached as **Appendix 2**. A Strategic Environmental Assessment prescreening process was carried out and the consultation authorities agreed that a full assessment was not required in the development of the Local Heat and Energy Efficiency Strategy.

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.

The following Risks have been identified as relevant to this matter on a Strategic Level:

ISSR004 as it relates to Climate Change in the ([Directorate Risk Registers](#))

4.5.1 Mitigation of these risks could be addressed by sufficient communication and engagement on the progress Aberdeenshire Council is making with regards to climate change mitigation and adaptation both internally and externally. This includes being transparent on the challenges of addressing climate change as well as the opportunities for external collaboration and funding which should be identified and pursued.

## **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 The Sustainability Committee is able to consider this item in terms Section R paragraph 1.1 (a) of the List of Committee Powers in Part 2A of the Scheme of Governance which dictates that this committee review and monitor the Council's work in respect of sustainable development and climate change.

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9 February 2024

### **List of Appendices**

Appendix 1: LHEES Draft  
Appendix 2: Integrated Impact Assessment.