

Appendix 1

Response to Scottish Government Consultation on Draft Heat in Buildings Strategy

Chapter 2 – A 2045 Pathway for Scotland’s Homes and Buildings

Q1. To what extent do you support the pathway set out for achieving the 2045 net zero target and the interim 2030 target?

We strongly agree. The target of net zero emissions (and interim targets) has to be embedded in the various development strategies that exists at a local level, and must have weight in terms of the corporate decision-making process. For example, Local Development Plans must outline appropriate actions towards meeting these targets and include specific planning application requirements.

Q2. What are your views on any risks of unintended consequences from this pathway?

There is a risk that some sections of the development industry will argue against the imposition of new energy efficiency requirements and challenge them legally. At a local level, we are already facing resistance to more ambitious energy efficiency and sustainability standards through the local planning policy system.

Q3. What are your views on our assessment of strategic technologies in low and no regrets areas to 2030?

We agree that focusing on low and no regrets areas provides a good opportunity to begin to scale up the deployment of zero emissions heating options. We also agree that energy efficiency should be given priority; this is in line with the ‘fabric first’ policy position set out in our emerging Local Development Plan 2.

Q4. What function should a new heat target serve?

We agree with the proposal that a new heat target should accommodate future developments in technology, including the move towards electrically-powered systems, although we would caution against an over-reliance on unproven technologies such as hydrogen power, especially if there is a risk that failures in such technologies may have a disproportionate financial impact on householders and small businesses. We also agree that a new heat target should be compatible with fuel poverty targets.

Q5. How do you think a new heat target should account for the need to deliver against our statutory fuel poverty targets?

Nil response.

Q6. Do you agree that a new heat target should apply to heat in buildings, distinct from industrial heat?

We agree that there would be merit in focusing on heat in buildings and considering industrial heat separately, on the understanding that equivalent measures would be developed to monitor the latter.

Q7. What form should a new heat target take and why?

Nil response.

Q8. At what level should the target(s) be set and for what date?

Given the urgent need to halt carbon emissions, as reflected in the Scottish Government's 2019 declaration of a Global Climate Emergency and in the net-zero emissions targets that several local authorities have already committed to achieving within a relatively short timescale, we would encourage the introduction of an ambitious target as soon as possible.

Chapter 3 – People

Q9. What are the most significant actions we can take to ensure that Scotland's people and organisations are meaningfully engaged in the net zero heat transition?

We agree with the approach of implementing a bespoke public engagement strategy for heat in buildings. It is important to ensure that information and advice on the heat transition is tailored and accessible based on what will be useful to various groups: e.g. homeowners, landlords, tenants, businesses, and other organisations which own or manage properties. It may be worthwhile conducting some research into how (and when) the option of zero emissions heating systems can be introduced – for example, would businesses be more open to the opportunity when relocating to a new premises?

Q10. What in your view are the opportunities, if any, available to key organisations, such as local government, businesses and trade associations and community or other non-government organisations, in supporting this public engagement activity?

Engagement around the net zero heat transition, and its incentives, could link in with related activities being undertaken at a local level and become part of the wider conversation on reducing carbon emissions.

Q11. In your opinion, could any of the proposals set out in this strategy unfairly discriminate against any person in Scotland who shares a protected characteristic? (Age, disability, sex, gender reassignment, pregnancy and maternity, race, sexual orientation, religion or belief).

We agree on the importance of considering and avoiding negative impacts on anyone with a protected characteristic, and we agree that clear, consistent dialogue is crucial in order to ensure that the transition is manageable and that it takes account of needs. Further, we would emphasise the importance of ensuring that such individuals are among those prioritised for interventions to ensure that positive benefits arising from the proposals – including skill and employment opportunities – are targeted at those most in need.

The fact that the Scottish Government is carrying out an Equality Impact Assessment on the Draft Strategy provides reassurance that the appropriate considerations will be made.

Q12. In your opinion could any of the proposals set out in this strategy have an adverse impact on children's rights and wellbeing?

Nil response.

Q13. What further action can we take to support people to make informed choices on the energy efficiency and heating options available to them?

Nil response.

Q14. What is your view on the current level of support and advice provided through existing services such as Home Energy Scotland and the Energy Efficient Business' Support service?

While existing services provide valuable advice and support, we agree that there is a need for this to be extended and would emphasise the importance of ensuring that the appropriate financial support is made available to aid the investments involved in transitioning to sustainable heat. We would also encourage these services to be better-promoted, including via the proposed development of a digital presence.

Q15. Are there any further suggestions that you could provide on how the customer journey through these delivery services could be improved, in light of the ambitions set out in this strategy?

Nil response.

Q16. What are the most appropriate steps we can take within our powers to ensure sufficient consumer protection for supported energy efficiency or zero emissions heat installations?

Nil response.

Q17. Do you have views on whether we should adopt the use of the UK government's TrustMark quality assurance framework?

Nil response.

Q18. In your view, is there any further action that we, or other key organisations (please specify), can take to protect those on lower incomes, and those in or at risk of falling into fuel poverty, from any negative cost impact as a result of the zero emissions buildings transition?

Nil response.

Q19. What are your views on our approach to phasing out funding for fossil fuel heating systems by 2024 where it is not detrimental to our fuel poverty objectives? Do you think that this could be achieved any sooner than 2024, and if so how?

Nil response.

Q20. What changes can be made to the Strategy to help maximise positive impacts and minimise negative ones on people experiencing fuel poverty and other vulnerable groups?

Nil response.

Chapter 4 – Place

Q21. What are your views on how we can support place-based deployment of zero emissions heat within our delivery programmes?

We agree with the overall principle, but we would expect that deployment should happen in collaboration with local communities, particularly in the context of the Local Place Plan approach.

Q22. What is your view on how best to engage, and support, local communities in the planning and implementation of the heat transition in their area?

Communities need to understand the purpose and relevance of the transition; communication should be straightforward and succinct, explaining terms such as 'zero emissions', emphasising the benefits to communities - especially financial ones – and being clear about what needs to change. Sufficient financial support must also be made available, and account should be taken of home-owners who may be asset-rich but cash-poor, e.g. older people. Account should also be taken of home-owners who may not be particularly cash-poor but for whom energy efficiency would involve major structural works, e.g. roof repairs; this is likely to be particularly true in older properties.

As well as delivering housing-related benefits, the transition is an important opportunity for skill development and employment. A not-for-profit approach involving local people most in need would help to ensure that these opportunities were maximised. This is understood to have been done successfully in the past via The Wise Group, who ran a local insulation programme.

In terms of physical works, it is important that communities are able to trust the relevant parties. We are aware of a poorly-executed insulation programme carried out by private sector contractors which created dampness and condensation problems for residents and which had to be remediated; this has undermined confidence and is seen to have been driven by profit. A not-for-profit approach run by local people, as proposed above, would address this.

We are also aware that trust in deprived communities may be eroded by any perceptions that more affluent householders are being given specialist treatment, e.g. via the recent Historic Environment Scotland grant scheme for retrofitting high-value houses.

Having exemplar public sector buildings would help to instil confidence in local communities. We are aware that opportunities have been missed to showcase successful energy efficiency and renewables measures, and we are keen for Scottish Government support to help address this.

We would also highlight the importance of avoiding false positives when promoting good practice. We are aware of 'green community' case studies where low emissions are an unintended consequence of poverty rather than a deliberate achievement of which the community is proud.

Q23. What role do you think community anchor organisations could play in supporting the heat transition?

Bodies such as community councils and community development trusts could play a significant role in supporting the heat transition. One important step, before any local engagement is undertaken, is to seek feedback from such bodies on the proposed engagement, to ensure that the content, language, etc, is appropriate. Previous experience proves that such organisations are well equipped to generate interest at a neighbourhood level and spread word of consultation events etc. Furthermore, community organisations often have a very strong interest in reducing emissions and supporting climate change initiatives in general.

Various other channels of communication exist: local authority Community Planning teams, housing associations, tenant associations, third sector interface organisations, Citizens Advice Bureaus, elderly forums, food banks, family workers, schools (including pupil councils), local newsletters and social media. There are also various ways of reaching local people directly, including community centres and Post Office queues; there may be occasions where it is appropriate to use these means, rather than communicating via a representative body.

Q24. In your opinion, what steps can we take to ensure that policies set out in this strategy do not unfairly impact Island and other remote communities?

Nil response.

Q25. What is your view on the timescales proposed for LHEES?

East Dunbartonshire Council plans to include the LHEES within our Climate Action Plan, which we intend will be produced ahead of the proposed end-of-2023 deadline. While the inclusion of the LHEES within our Climate Action Plan has been agreed informally with a Scottish Government representative, we would welcome formal assurance that this is an appropriate approach. We would highlight the considerable in-house resource that will be required to produce the LHEES, and would recommend that this is taken into account when considering the appropriate level of resources to allocate to supporting local authorities in this respect.

Q26. Do you agree with the approach to LHEES set out above? If not, please give reasons to support this.

We welcome the commitment to creating a statutory basis for LHEES and to working with COSLA, which provides confidence that local authorities' needs will be taken account of. We also welcome the recognition of the additional resources that will be required and, as above, would emphasise that this applies to the development phase as well as to delivery.

Our recent participation in the LHEES pilot programme has provided a solid grounding for developing a full LHEES; we anticipate that this will be augmented by the planned full evaluation of the pilot programme and provision of guidance and a methodology.

Q27. What are your views on what Permitted Development Rights might help enable in the heat transition, in addition to those we have already included in the Permitted Development Rights review programme?

Nil response.

Chapter 5 – Preparing Our Energy Networks

Q28. In your view, is there further action that can be taken to ensure that our electricity systems are ready for heat decarbonisation? If yes, please provide further information.

Nil response.

Q29. What are your views on the changes set out above for the electricity networks and are there further actions that could be taken by government, the regulator or industry that would make these more cost effective? Please provide evidence to support any suggestions.

We agree with the proposed measures to prepare the electricity system for increased demand and would highlight that East Dunbartonshire Council has been involved in devising a proposed local project led by SPEN and E.ON to pilot the use of household-level mechanisms to support this transition, for which an LCITP bid has been submitted. Ongoing provision of financial support through programmes such as LCITP will be key in enabling local authorities to contribute to the transition.

We note the Scottish Government's commitment to undertake work in 2021-22 to explore the potential costs involved in the transition and the potential impact of these on consumers. We are aware that the relative cost of electricity is already high compared to gas and that this has limited the speed of transitioning away from gas; early consideration of how to ensure the affordability of electricity is therefore crucial.

Q30. In your view, what changes are needed to ensure that those least able to pay, including those in fuel poverty, are not unfairly impacted by the transition in our electricity and gas networks?

Nil response.

Q31. What are your views on the changes set out above for the gas networks?

Nil response.

Q32. Are there further actions that could be taken by government or industry that you think would make the changes set out more cost effective? Please provide evidence to support any suggestions.

Nil response.

Q33. What evidence can you provide on the potential for heat networks in Scotland that can help inform a new ambition for deployment within the final Heat in Buildings Strategy?

Nil response.

Q34. What evidence can you provide on the potential for heat derived from energy from waste to qualify as low or zero emissions?

Nil response.

Q35. What views do you have on mechanisms to support this and the use of wider sources of waste heat?

Nil response.

Q36. With the sustainable market for heat networks described above in place by the early-2020s, are there any further gaps that must be filled to support subsequent delivery of heat networks? If so, what are these and are there particular types of organisation that would be key in filling these?

Nil response.

Chapter 6 – Kick-Starting the Investment in the Transition

Q37. What are your views on the range of actions identified above to kick start the investment in the transition over the next 5 years?

We agree that the range of proposed actions align well with the overall aim of the draft strategy.

Q38. Do you agree with the strategic funding priorities set out above?

Nil response.

Q39. In your view, should equal funding be allocated across these priorities or should certain priorities be weighted in terms of impact for Scotland?

Nil response.

Q40. What are the opportunities and challenges we face in maximising our £1.6 billion investment?

Nil response.

Q41. What are your views on the role of government funding over the next five years? For example, should it be focused towards significant increases in the volume of renewable heat and energy efficiency measures installed or more targeted at specific priority groups or technologies?

Nil response.

Q42. What are your views on how we can use our funding to leverage and encourage private sector and other forms of investment?

Nil response.

Q43. What are your views on the effectiveness of our existing delivery programmes in supporting different client journeys, including for those in or at risk of fuel poverty? (for example, landlords, home owners, non-domestic building owners – public and private, domestic and non-domestic tenants). In your opinion, are there any gaps in support?

We suggest that there is a need for a more co-ordinated approach between delivery programmes and advice services. Grants and advice could be co-ordinated and streamlined for local authorities and RSLs through the existing Scottish Government AHIP grant funding programme for affordable homes, rather than separate grant applications having to be made (e.g. through LCITP) for renewables technologies or energy efficiency measures, as this can be a slow, resource-intensive

process which can risk funding allocations disproportionately benefitting better-resourced councils. We would also highlight the value of a liaison support group such as Local Energy Scotland.

Q44. Is there any action we can take to further tailor our support to meet the ambitions set out in this strategy, including in relation to fuel poverty? (Please include any evidence you may have to show what this might achieve.)

Nil response.

Chapter 7 – Working Towards a Long Term Market Framework

Q45. What are your views on the approach outlined above to take action towards a long-term market framework for net zero emissions in buildings?

Nil response.

Q46. What are your views on how we can achieve a fair and equitable cost distribution for the net zero transition, including ensuring we tackle fuel poverty?

Nil response.

Q47. What financing mechanisms are needed to encourage investment from householders, businesses and the private sector?

Nil response.

Chapter 8 – A Regulatory Framework

Q48. What are your views on the regulatory actions set out in the proposed regulatory framework?

We agree that the regulatory actions set out in the proposed regulatory framework represent a comprehensive and ambitious approach. In particular, we welcome the proposed reform of the EPC system and agree that the proposed actions would make EPCs more accurate and meaningful.

Q49. What are your views on the timeframes set out for the application of the regulation set out above?

In line with our response to the recent consultation on the 2024 New Build Heat Standard, we would emphasise the need for urgent action to halt carbon emissions.

Q50. What are your views on how our Delivery Programmes could support compliance with regulation?

Nil response.

Q51. What other mechanisms/support may be required to ensure that regulation is fair and equitable for all?

Nil response.

Chapter 9 – The Economic Opportunity

Q52. What are your views on the plans set out to maximise the economic benefits to Scotland from the heat transition?

We agree with the supply-chain-focused strategy of encouraging innovation in the industries which are well-placed to diversify into producing products and services related to the net zero heat transition. The recognition of the importance of working in partnership with Enterprise Agencies and other organisations to develop innovative solutions is also encouraging, as is the focus on developing appropriate skills within Scotland's workforce to support innovation in business.

Q53. What role could technology-specific milestones (for example, by 2025) play in supporting supply chain development, and how should these milestone levels be developed?

Nil response.

Q54. Is there anything further that can be done to ensure that Scotland realises the economic opportunity available from the heat transition?

It is important that the economic opportunities are evaluated within the context of economic recovery from the COVID-19 pandemic. There needs to be a clear focus on building capacity both within the businesses which could benefit by becoming suppliers for the heat transition and within those who would be encouraged to adopt net zero heating systems within their business premises. Both groups will likely need to have experienced sustained recovery before they will engage with schemes which require investment and could be viewed as risky or costly to implement.

Q55. What more can be done to support the development of sustainable, high quality and local jobs in the heat and energy efficiency supply chain across the breadth of Scotland?

It could be beneficial to look into the current locations of industries which could engage with the supply chain – would there be potential for creating local innovation hubs or campuses in coordination with other regeneration activities?

Q56. In your view, what are the opportunities and constraints presented by the role of the wider public sector in maximising the economic benefits to Scotland?

The public sector can be involved in engagement with local communities and businesses, can use local knowledge to identify potential early adopters, and could even lead by example. The constraints would be in terms of resources and other priorities, especially with the current focus on recovery from the pandemic.

Q57. In recognition of the proposals in the forthcoming skills consultation, what further action can be taken to support skills development in Scotland over the lifetime of this strategy?

We agree with the focus on upskilling and retraining to avoid creating a skills gap when businesses begin transitioning and/or diversifying into the net zero heat sector. We are also aware that Skills Development Scotland co-produced the Climate Emergency Skills Action Plan and that they have been involved in the Scottish Government's skills consultation in support of the draft Heat in Buildings Strategy. This provides confidence that there will be a coordinated approach to supporting skills development in Scotland over the lifetime of the strategy. Additionally, we would suggest that it may be appropriate to look at the potential of the heat transition to provide targeted support to those who may have had their employment affected by the pandemic.

Q58. Are you aware of any barriers to the reskilling of existing oil and gas heating engineers to equip them to install low and zero emission heating?

Nil response.

Q59. How can we support the development of more opportunities for young people?

Collaborating with training providers and higher education institutions is a good step forward in addressing potential future skills gaps and ensuring that the skills of future employees will match the requirements of employers within net zero heat industries. The development of an installer skills matrix, apprenticeships, accredited training courses, and support for Scottish colleges should help to achieve this. It is also important to engage with young people as early as possible with regards to what future career paths may be open to them, the skills they will need, and how their time at school can prepare them for this. This could perhaps be achieved through increased integration of employment-based training with school subjects.

Chapter 10 – Working with the UK Government

Q60. To what extent do you agree that the issues identified must be addressed jointly by the UK and Scottish governments to unlock delivery in Scotland?

Nil response.

Q61. Are there any further areas where joint action is required, for example to ensure no one is left behind in the transition and fuel poverty is addressed?

Nil response.

Chapter 11 – Monitoring, Evaluation and Future Decision Making

Q62. Do you agree with our proposals for a monitoring and evaluation framework? If not, please state your reasons and suggested improvements.

We agree with the proposals and welcome the inclusion of policy interventions in the list of suggested outputs to be measured.

Q63. What are your views on how lessons learned from heat and energy efficiency policy and programmes should be shared with the sector and key stakeholders to ensure that Scotland benefits from the public investment outlined above?

We would be keen for experiences of both success and failure are shared as widely and as openly as possible.

Q64. Finally, is there any other information you would like to provide us with that is relevant to the development of Scotland's Heat in Building Strategy?

Nil response.

Environmental Report Consultation Questions

Q65. What are your views on the accuracy and scope of the information used to describe the SEA environmental baseline set out in the Environmental Report?

The scope of the baseline data set out within the ER is proportionate to the national level of the strategy. This section also accurately sets out the scale of the environmental problems for each of the scoped in environmental factors and the current state of the environment.

Q66. What are your views on the reasonable alternatives set out in the Environmental Report?

We agree that a 'do nothing' scenario is not a reasonable alternative in terms of the scope of the strategy given the new requirements and targets set out within the Climate Change (Scotland) Act 2009.

We also agree with the scope of the energy efficiency and heat technology scenarios as a means to reduce emissions from space and water heating and deliver the necessary decarbonisation of homes and buildings. We also note and agree that appropriate consideration has been given to the likely and viable strategic technologies available and that it is considered no reasonable alternatives to a mixed or blended technology model.

Identifying all potential likely significant environmental effects associated with the key energy efficiency measures and heat technologies is therefore the only way to incorporate relevant mitigation measures and SEA suggested alternatives to consider all reasonable alternatives at that level.

Q67. What are your views on the predicted environmental effects as set out in the Environmental Report?

We broadly agree with the overall proportionate environmental effects identified for the Strategy set out within the ER. Through the set of proposals there is a predicted significant positive effect on the relevant environmental factors. We agree that the Strategy along with other related PPS are likely to contribute positively and cumulatively across Scottish Government Policy.

Given the scope and technological nature of this Strategy, we find it reasonable that there are some areas of uncertainties identified, particularly regarding the uptake and upscaling of energy efficiency measures and heat technologies.

Q68. What are your views on the findings of the SEA and the proposals for mitigation and monitoring of the environmental effects set out in the Environmental Report?

Mitigation

Mitigating against future mixed or uncertain direct or secondary effects will be an important element to the strategy and should be integrated into subsequent lower level PPS and at the project-specific level. The effects will be dependent on a number of factors, including the sensitivity of the receiving environment, siting and design of projects and heat technologies being deployed.

In addition, we also agree that strategic level mitigation is equally important to take account of any future upscaling of heat technologies and the related effects on the environment.

The opportunities for enhancements will also be an important element for this Strategy in order to maximise the environmental benefits through the implementation of the Strategy, links with other Scottish Government PPS and also the influence of the Strategy on the lower-tier PPS.

Monitoring

We agree with aligning with and building on existing national programmes of monitoring to focus on the impacts on people and communities from a transition to warmer, greener and more affordable homes and buildings.

General Questions

Q69. Is there any further information you wish to provide on the content set out in this draft Strategy?

Nil response.

Q70. Is there anything else you would like to highlight about the role, opportunities for, and constraints of, specific types of organisation (such as local government, other public sector, trade

associations, individual business organisations, charities, environmental organisations, community groups) in contributing to the transition to zero emissions buildings, in particular over the next five to ten years?

Nil response.

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