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LHEES pilots evaluation – interim report

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HEAT AND
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1. Introduction

1.1. Background to the LHEES pilots

As part of the development of Scotland's Energy Efficiency Programme, 12 local authorities have received funding to pilot the development of a Local Heat and Energy Efficiency Strategy (LHEES).

Funding of between £50-70k per project has been made available. The funding can be used to cover staffing costs, and the appointment of an expert consultant to carry out activities within the project. The pilots can run until March 2019, although some have shorter timescales.

The 12 projects are taking different approaches to piloting and learning lessons for how to develop a LHEES, including:

- Initial exploration of potential activities and assessing resource requirements for development of a full LHEES (seeking to test and trial approaches rather than develop a full strategy).
- Testing modelling tools to support local spatial analysis for identifying and prioritising heat and energy efficiency opportunities.
- Joint working across multiple local authorities to share skills and resources
- Approaches to stakeholder engagement to gather information and develop a base of public support for a LHEES.
- Development of an LHEES for a specific area within the wider local authority boundaries.
- Developing methods for socio-economic assessment of LHEES, to understand their impacts on issues such as fuel poverty, local jobs supported; or as a means of prioritising programmes of work.

1.2. Evaluation of the LHEES pilots

The University of Edinburgh has been appointed to carry out an independent evaluation of the LHEES pilots. This evaluation will draw lessons from across the 12 pilots, to inform Scottish Government future policy plans in relation to LHEES, as well as to share lessons between local authorities to support their future work. The evaluation focuses on the following aspects of the LHEES pilots:

- The scope and content of the developed LHEES
- The activities and processes involved in developing the pilot LHEES
- The skills and resources involved in developing the pilot LHEES
- The perceptions of the strategy, both internally and externally to the local authority.

To limit the scope of this evaluation project, this work will not go in to detail on the energy planning methodologies and assessments explored within the pilots. This dimension will be covered by the Scottish Government appointed consultant in the first instance.

The University of Edinburgh's evaluation will be based on a range of data collected over the duration of the LHEES pilots. This includes qualitative and quantitative analysis of the following data sources:

- The original pilot application forms, and the finalised project plans used to inform the consultant specifications, specified by each local authority with input from Scottish Government.
- Semi-structured interviews conducted with each LHEES pilot lead at the start and end of the pilots;
- Progress reports provided to Scottish Government by appointed consultants and pilot project leads;
- Written reflections by the pilot leads at key points throughout the process on specific themes (e.g. heat decarbonisation, public engagement, etc.)

2. About this report: data and method

This interim report is based on an initial set of interviews conducted in October 2017 with the lead officers from the 12 local authorities undertaking pilot projects. At this stage in the pilots, work had not yet commenced. The interviews sought to understand the expectations and objectives of the 12 local authorities at the start of the pilot process, and identify key areas of concern upon which to focus the on-going evaluation.

This interim report aims to give local authorities and Scottish Government a sense of the similarities and differences between key aspects of the pilots at an early stage, based on patterns emerging from a thematic analysis of the interview data. We cover the following themes:

- Aims for the pilots
- Geographical scope of the pilots
- Governance of the pilots
- Staffing and resourcing of the LHEES pilots and long-term
- Anticipated scope of the pilot activities
- Approaches to stakeholder and public engagement
- Socio-economic assessment
- Implementation / Delivery plans
- Future use of pilot outputs and lessons
- Anticipated project challenges
- Long-term / systemic challenges for LHEES

Note: The analysis of the interview data presented here is limited to the discussions that took place within the semi-structured interviews. Although some of the results are presented in list form to aid accessibility of the information, the results do not represent a systematic survey response from interviewees. The responses presented here therefore represent what the interviewees mentioned in the interview, but do not preclude other responses also being relevant to their pilot.

2.1. Aims for the LHEES pilots

The pilot funding was seen as a welcome opportunity to begin to try out new approaches. This section summarises the range of aims that pilot leads stated for the projects.



Overall, the proposal for potentially placing a statutory duty on local authorities to develop LHEES was cited as a critical driver for local authorities taking part in the pilots. The pilot process was an opportunity to get a head start on learning what was involved and preparing to take on this potential duty. Several interviewees also mentioned the opportunity provided by the pilots for councils to influence national level discussions about LHEES, including contributing to the guidance details from Scottish Government.

Summary of the aims for the pilots, as stated at the initial interviews (October 2017).

Overall aims for the pilot	Number of pilots that mentioned this aim									
To integrate local policy and programme delivery across departments with an underlying strategy	■	■	■	■	■	■	■	■		
To enable the council to better identify, develop and prioritise projects <ul style="list-style-type: none"> - including being able to better evidence how projects can meet funding criteria - and demonstrate how projects meet local strategic priorities 	■	■	■	■	■	■				
To contribute to national best practice and policy development <ul style="list-style-type: none"> - E.g. Learning lessons for rural areas, testing tools that could be used by others. 	■	■	■	■						
To better target programmes to reach households in fuel poverty	■	■	■							
To align existing local strategy and activities with national policy objectives	■									
To produce a simple and easy to understand evidence base to support the case for taking projects forward.	■									
Preparing for a future statutory duty										
To learn and gain experience of methods and processes for developing an LHEES	■	■	■	■	■	■	■			
To understand and evidence how much time and resource is needed to develop an LHEES	■	■	■							
To learn from other pilots	■	■	■							
To make council senior management and local politicians aware of the changing remit of local councils	■									
Key questions to explore in the pilots										
How to ensure public acceptability of the proposals that will be set out in an LHEES?	■	■	■							
How to assess the socio-economic impacts of LHEES delivery on the local area	■	■								
Learning how to engage and run a programme targeting the commercial buildings sector	■									

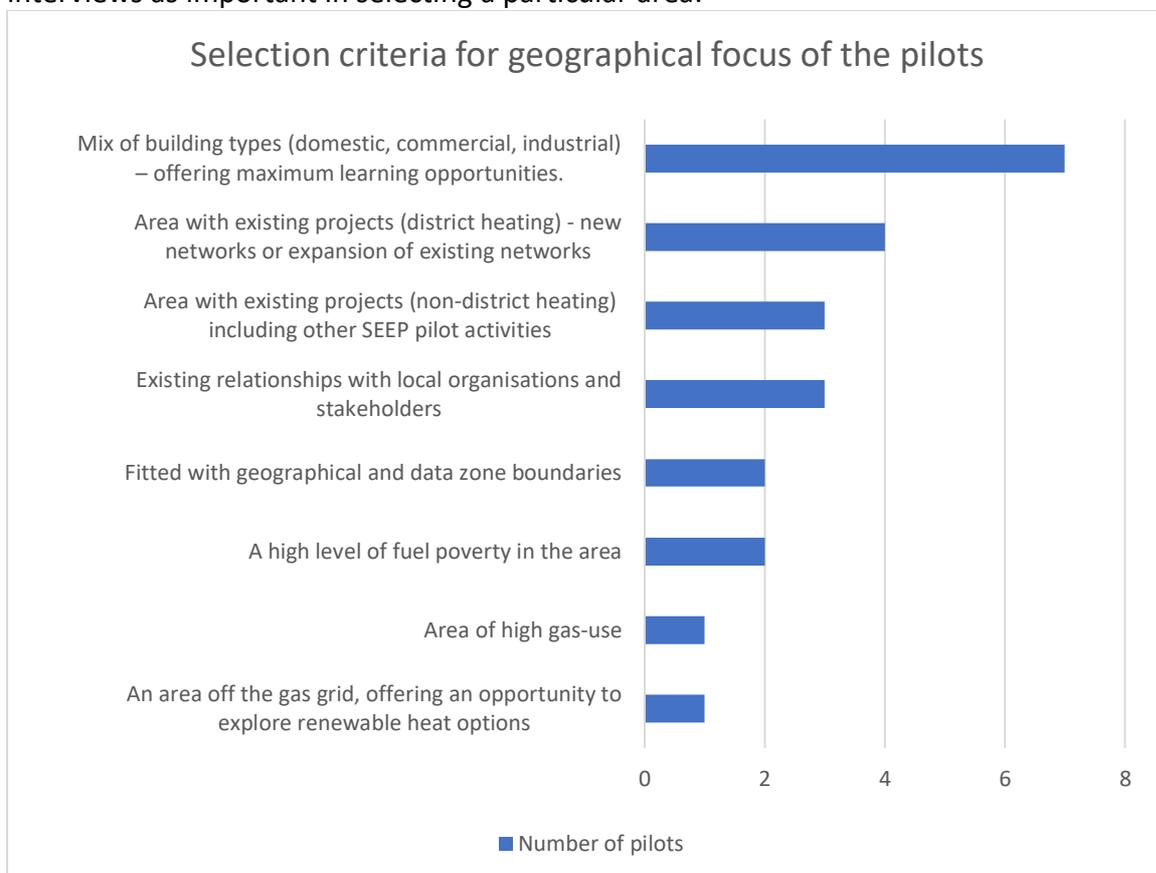
2.2. Scope - Geographical

2 x Pilots are looking at the whole local authority area.

10 x Pilots are looking at smaller geographical areas within each local authority.

These projects were encouraged by Scottish Government to limit the area in focus to a small, defined area to ensure they were manageable within the pilot budget and timescales (£50 – 70k, 15-18 months).

Where smaller geographical areas had been selected, the following criteria were cited in the interviews as important in selecting a particular area:



Note: Multiple selection criteria were often mentioned by interviewees. All mentions have been represented in the chart.

2.3. Scope – content

6 X pilot interviewees expressed a view that the scope of LHEES would need to go beyond heat and energy efficiency (E.g. to include transport, air quality, renewable electricity, waste, resilience, ESCO business models)

This view was driven by a range of factors which made it difficult to separate the issues of heat and energy efficiency from wider work that the local authority was undertaking:

- Existing political commitments to produce Sustainable Energy and Climate Action Plans (SECAP)
- Local contextual factors such as geography (e.g. island / remote rural areas), demographics of the area in focus (e.g. commuter town) and energy system context (e.g. constrained electrical grid)
- Existing projects already underway (e.g. a hydrogen transport project or an ESCO development with a wider remit than heat and energy efficiency)

2.4. Governance of the LHEES pilots

8 Local authorities had set up (or had plans to set up) cross-departmental **working groups / steering committees / boards** to oversee the LHEES pilots. These groups aimed to ensure involvement and buy-in from key stakeholders.

4 did not have plans to set up such a group at the time of the interviews, although there was a consistent recognition of the need for cross-departmental working within the local authority. These pilots planned to use informal consultation with colleagues and external stakeholders as and when it was required.

LHEES steering groups

In some cases, an existing group was taking on the remit of steering the pilot, and in other cases a group was set up specifically. The groups varied in size and membership. They tended to involve a range of internal local authority departments, sometimes councillors where energy was viewed as a political priority, and in some cases they extended to include other key local external organisations.

Range of council teams represented on LHEES steering groups:

- Energy team – domestic
- Energy team – council-owned non-domestic / property
- Housing
- Planning
- Economic development
- Education
- Carbon management
- Local councillors

Range of external representatives on LHEES steering groups:

- Local community representatives
- Utilities
- Chamber of commerce
- Universities
- NHS / hospitals

Final strategy documents

8 X of the local authorities planned to produce some form of final strategy document as a result of the pilots. The envisioned form that this would take varied from a short, accessible document aimed at the general public, to a more detailed document aimed at council.

The remaining 4 pilots felt it would not be possible to produce a final document in the time frame of the project. Instead, they were focused on trialling and developing the methods and processes of developing a strategy rather than aiming to produce a final strategy document.

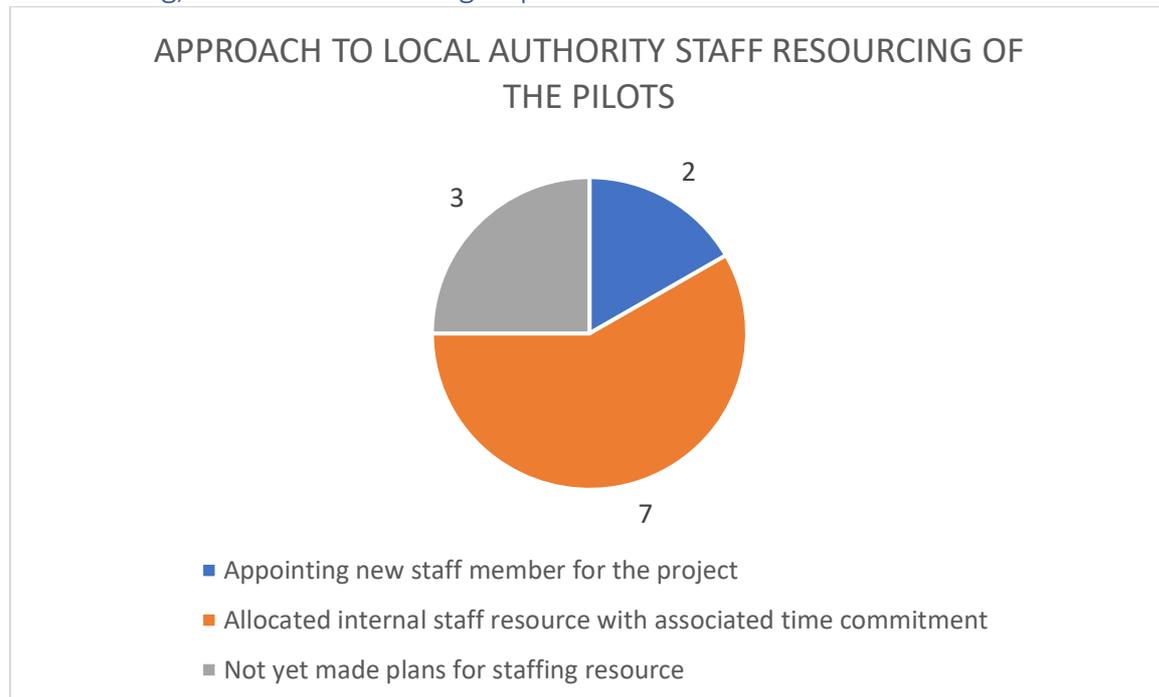
7 X of the pilots planned to take the final strategy document, or a more general report for information, for discussion and / or approval at a council committee or senior management team meeting.

Interaction with other local strategies

LHEES had links with other local strategies that were already in place or were in the process of being developed. These included:

- Sustainable Energy and Climate Action Plans (SECAP) - 5 x interviewees discussed LHEES in relation to how it could relate to SECAP (required for the Covenant of Mayors).
- District heating strategies
- Housing strategies
- Development plans

2.5. Staffing, skills and resourcing of pilot activities within local authorities



2 x councils were appointing a fixed-term staff member to coordinate the delivery of their pilot.

7 x councils had specific people who were taking on the work as part of their day job with an awareness of the time commitment in relation to other work priorities.

3 x councils had not yet made detailed plans for how internal resourcing of the pilots would be managed. In two of these cases it was envisaged that most of the work would be conducted by the external consultants, with only a small involvement from council staff.

Lead local authority officers and partners delivering the pilots

The lead local authority officers for the pilots came from the following council departments:

- 3 x Energy and sustainability

- 2 x Housing / affordable warmth
- 5 x Sustainable development / Climate Change / carbon management
- 1 x Building services and energy management
- 1 x Planning

The role of external expertise

Another important dimension of 'staffing, skills and resourcing of the pilot activities' was obtaining access to external expertise. Pilot leads were asked by Scottish Government to put together a workplan to specify their anticipated activities and timescales. These were used as a basis for specifying areas in need of external expertise. External expertise was offered through existing public support programmes such as Resource Efficient Scotland, Energy Saving Trust and Scottish Futures Trust, or alternatively through consultants.

Nine pilot projects were receiving consultancy support that was going to be centrally procured and managed by Scottish Government (although each local authority had responsibility for drafting the scope of their own requirements from the consultant). The remaining three pilots were procuring this support directly.

At the time of the interviews, only two of the twelve pilots had appointed consultants. However, there were a number of recurring themes in relation to the best ways to access consultancy support:

Local authority officers saw some advantages of providing external expertise to the projects through this centrally appointed set-up:

- This approach reduced the significant resource required by each local authority running a procurement exercise for activities where external expertise were needed;
- There was also a feeling that receiving support through a central service would enable better sharing of learning across the projects. Lessons from one project could be applied across other projects.

However, there were also concerns about whether this centralised provision of support would be able to get sufficiently into the details of local contexts and needs. Officers felt that there was a risk that one consultant, or a consortium of consultants, would have insufficient capacity of to engage with each individual pilot at the level of detail necessary to reflect the local context and specific needs within an analysis. It will be important to consider these issues when designing any future support mechanisms, in the event of a statutory duty being placed on local authorities.

There were also perceived challenges in relation to external expertise that were specifically related to the pilots:

- At this early stage in the development of LHEES, there was a perceived risk that the timescales of the project would result in the application of a standardised methodology, rather than testing out a variety of approaches.

- There was also a lack of clarity about lines of accountability and processes of redress if a local authority were to be unhappy with the outputs from an appointed consultant during the pilot.

It should be noted that these concerns were discussed early in the process and will not necessarily materialise into issues in the projects.

Comments about long-term resourcing and skills for LHEES across a whole-local authority area

Lack of in-house specialist energy skills

- Even with consultancy support, there was recognition of the need for a level of in-house skills to identify potential projects and commission the right external expertise.
- Local authority staff were not necessarily energy specialists by training (e.g. moved across from other departments)

Specialist public engagement skills needed

- Some council energy staff did not feel equipped with the skills for engaging with the general public about the scale of change that is needed in energy efficiency and heating supply.

A need for new staff resource to deliver a full LHEES in the future

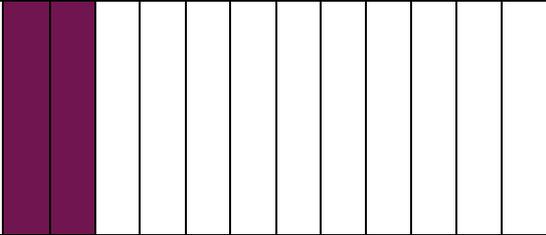
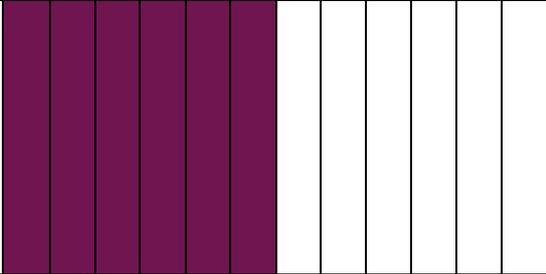
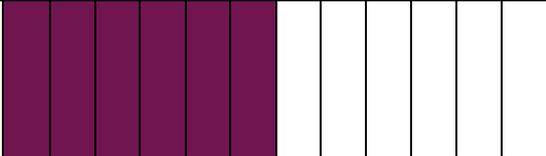
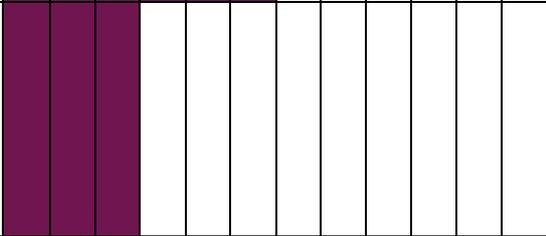
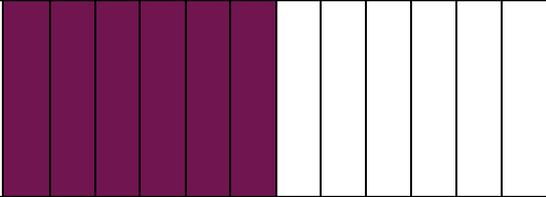
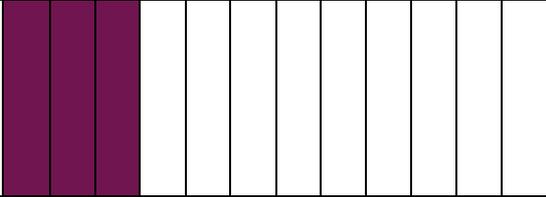
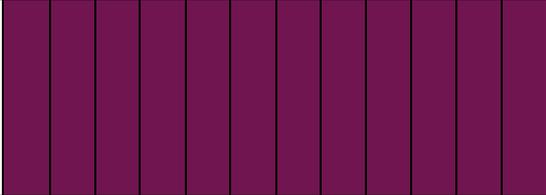
- Several local authorities suggested that there is a need for a dedicated team for the development and implementation of LHEES strategies, either internally within each local authority or outsourced to consultancy expertise or through a central agency of government. Whatever the set-up, local knowledge was felt to be critical to informing this development and delivery.
- Existing staff resources within local authorities were already limited due to recruitment freezes, which were preventing replacement of team members or recruitment of new staff with relevant skills.
- Current resourcing levels meant that many council teams had previously had to prioritise project delivery (responding to funding availability and short delivery timescales) over the development of longer term strategies.
- The enforcement of a LHEES was anticipated to be resource intensive for the local authorities and there were concerns about whether this would be possible.
- There was recognition of a need for strategic- and senior-level jobs and skills to deliver LHEES (higher level jobs than project delivery and management)

In general, there was felt to be a lack of recognition of the resourcing and skills implications of the long-term LHEES proposals amongst council senior management and councillors.

2.6. Anticipated activities and outputs in the project

The specific activities included in the pilots were not finalised at the time of first round interviews. However, differences in approach were already apparent.

The activities mentioned by the pilot leads are listed below, with an indication of the number of pilots that mentioned each activity. There was variation between projects about whether they expected activities would be carried out by the local authority or a consultant.

Anticipated activities	Number of pilots that mentioned this activity									
<p>Not yet clear on the details of what activities would be undertaken Discussions with the consultant would help to clarify the necessary activities for developing the LHEES (both for the local authority and the consultants)</p>										
<p>Data collection This activity involved identifying what data would be required, and if it would need to be collected if not already held by the local authority. For some pilots, it was felt that this work had already been done through previous work.</p>										
<p>Establish a baseline For example, mapping current building conditions, energy efficiency and heating sources.</p>										
<p>Gap analysis of existing local strategies E.g. housing, district heating, SEAP, development plan – to enable the LHEES to integrate with these existing strategies, and in some cases use them as delivery vehicles to support LHEES implementation plans.</p>										
<p>Understanding how to prioritise and select areas Based on the baseline, consider scenarios for different interventions and technologies, and develop a methodology for prioritising.</p>										
<p>Setting targets Interviews mentioned seeking support from the consultants to identify parameters that could be used within targets.</p>										
<p>Community / stakeholder engagement Getting input and support from key constituencies of people impacted by the strategy. This is discussed in more detail in section 2.7.</p>										

<p>Socio-economic assessment Three projects were explicitly focusing on socio-economic assessment, but other interviewees also discussed early thoughts about what this activity might entail. Details are included in section 2.8.</p>																		
<p>Explore opportunities for a delivery vehicle to support implementation of the LHEES E.g. a local ESCO</p>																		
<p>Assessment of required resources An assessment of the level of staffing and skills needed to develop and implement a full LHEES.</p>																		
<p>Final strategy document Produce some form of final strategy document as a result of the pilots (the envisioned form that this document would take varied from a short, accessible document aimed at the general public, to more a detailed document aimed at council</p>																		

2.7. Approaches to stakeholder engagement

All of the interviewees had an expectation that their pilot would involve some form of ‘stakeholder engagement’. Interviewees cited a range of reasons for the need for stakeholder engagement:

- “We require a better understanding of what makes people tick to be able to design effective implementation plans.”
- “We need more experience working with specific groups of people e.g. Small businesses, the ‘able-to-pay’ domestic sector.”

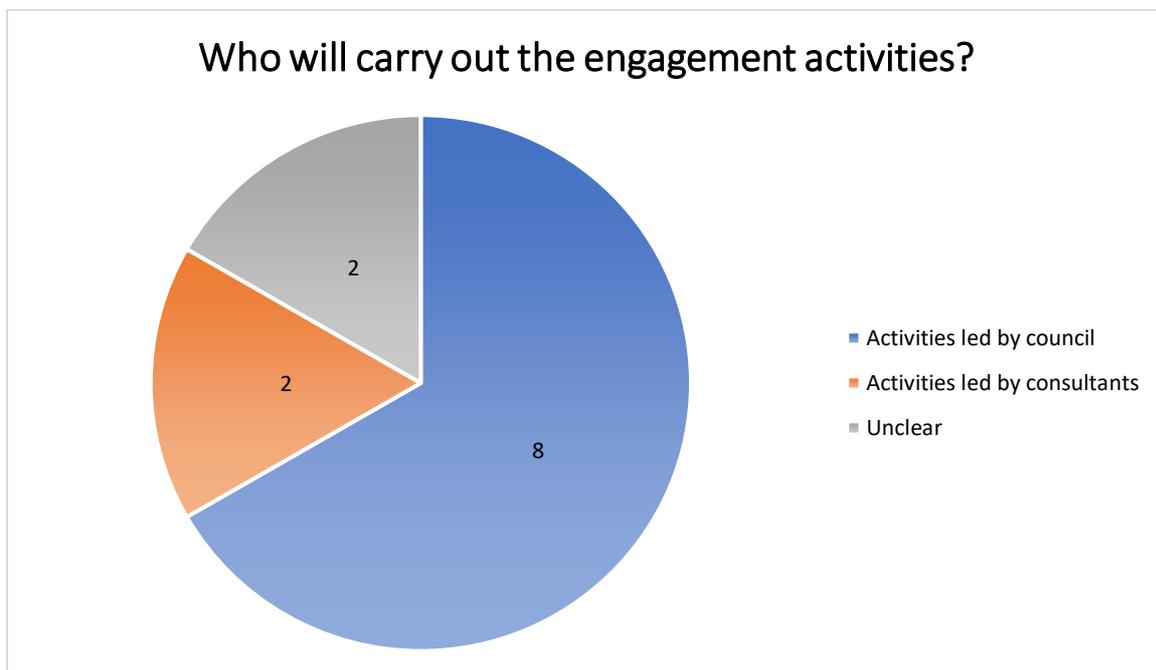
For the pilots, the scale and the approach to stakeholder engagement varied from engaging the general public to smaller, private discussions with selected stakeholders such as large heat users or businesses.

Which ‘stakeholders’ were mentioned in relation to engagement activities?

- Private sector - Small and Medium Enterprises
- Private sector - Large corporations / businesses
- Domestic sector – Fuel poor
- Domestic sector – Well-off households
- Domestic sector – Registered social landlords
- Community councils
- Community energy groups
- Public bodies
- Universities
- Wind energy companies
- ‘Big 6’ energy companies
- Financial investors

How did the local authorities plan to undertake engagement activities?

- Building on existing community relationships and attending existing events – e.g. community councils, community energy groups.
- Hosting specific public information events
- Linking with wider public engagement activities being undertaken by the council, and with existing energy efficiency delivery programmes.
- Standard consultation process
- Setting up a public information shop
- Door knocking and telephone campaigns
- Invite-only meetings



General comments and perceived challenges about stakeholder engagement

- Several interviewees felt that they did not have the right skills available to undertake general community engagement on LHEES.
 - o Previous help had been received by some councils as part of the district heating strategy support programme. This produced a useful planning document, but more support was needed to deliver it effectively.
- Engaging with the private sector was also seen as a particular challenge.
- One local authority mentioned that they anticipated resistance to the plans set out in LHEES from building developers (both house builders and commercial developers).
- Another local authority felt a potential challenge was that the existing community perceptions of renewables were associated with big renewable developments rather than local, small scale technologies. The interviewee felt there was a need for a culture change around the perception of renewables in the area.

- Two projects expressed a concern about doing too much public engagement around LHEES and then not being able to meet public expectations due to lack of resources and skills availability.

2.8. Socio-economic assessment

As detailed above, 3 of the pilots planned to undertake activities around socio-economic assessment. However, 5 local authority officers went into more details about what they thought this activity should entail and the role that it would play within a LHEES. 6 of the pilots did not mention socio-economic assessment at all. The remaining pilot had ruled out including it in the pilot at this stage because they felt that there was already too much to do in a short time-frame.

The 5 local authorities that discussed socio-economic assessment activities had a range of perspectives on the role that it would be play within LHEES. Generally, work in this area was still in the early stages and the projects wanted to understand what the key components of a socio-economic assessment would be – in conjunction with the appointed consultants. The range of aims stated by the interviewees were:

- To assess the local socio-economic benefits of the implementation / delivery plans associated with LHEES;
- To demonstrate the social benefits of specific projects (to provide evidence to both the community and council decision makers about the value of heat and energy efficiency projects);
- To incorporate social demographics and economic background data into the baseline and prioritisation process for developing an LHEES.

2.9. Implementation / delivery plans

Implementation plans were not a main focus of the pilots. Four interviewees made no spontaneous mention at all of developing implementation plans when describing the project activities. Their initial focus was on other activities.

Content of implementation plans:

- Where implementation approaches had begun to be considered, the existing strategies and council activities were seen as critical building blocks that could be used as delivery mechanisms. E.g. Local development plans, planning policy, housing strategy, corporate estate management.
- Four interviewees expressed a view that implementation plans would need to be fully costed, with an idea of pay back times, in order to be realistic. This was seen as a challenging and time-consuming task.
- One interviewee mentioned that the implementation plan should also set out the resource and skills needed to enable delivery of the plan.
- One interviewee said that it should also include a communication plan for engaging with the general public to enable delivery of the LHEES.

General comments and perceived challenges about implementation plans

- Long-term funding structures (not a bidding process) need to be attached to SEEP to enable development of realistic 5-year implementation plans.
- The short timeframes of the pilot meant it did not seem realistic to some local authority leads to produce an implementation plan within the project timescales.
- One council had concerns about a lack of qualified installers to meet the required timescales and public expectations that would be set out in an LHEES compatible with SEEP.

2.10. Intended future use of the outputs and lessons from the pilots

- A tool for getting funding in the future
- A learning process to prepare for the potential statutory duty, rather than having delivery implications at this stage
- An evidence base to communicate to council members the resource and skills implications of LHEES for the council.
- An evidence base for informing and establishing political priorities for energy with council politicians and officials.
- Raising awareness in the local authority area about future changes that will be required in energy efficiency and heat.
- Informing the future local development plans
- Encouraging activities by community energy groups or energy companies to take forward potential projects.
- To help to coordinate across departments and existing delivery programmes - with a view that these would form the basis of implementing the strategies.

2.11. Anticipated project challenges

- Lack of data availability and poor data quality
 - Persuading key anchor loads to share their data
 - A lack of local authority resource to enable checking of data quality
 - Gaps in data sets or lack of appropriate data sets.
- Unclear who in the local authority should pick up the resulting strategy and lead on implementation.
- The scope of the project activities is still unclear. Getting a clear and shared understanding on this between the local authority and the consultant could be challenging.
- Several interviewees felt the timeframes of the pilots are too short to go through all of the necessary processes for a complete LHEES, even with a smaller area of focus.
- Resourcing implementation / delivery plans beyond the existing activities in local authority estates and housing will be challenging

2.12. Long-term / systemic challenges for LHEES

Alignment of Scottish and UK Government policies is needed, as well as alignment across Scottish Government departments, across local authority departments, and also across governmental scales between Scottish Government and local authorities.

The following specific issues were highlighted by local authorities:

- Lack of clarity over the future of the gas grid (ultimately UK Government responsibility)
- Uncertainty around the future of ECO
- Resistance from the Big 6 energy companies to potential plans for heat zoning for district heating
- EPCs / SAP assessments are not fit-for-purpose as indicators of progress and prioritisation, sometimes indicating potential measures that are not appropriate for the building, or alternatively over-estimating the energy efficiency level of a building e.g. due to connection to district heating network.

Lack of local political support and understanding of LHEES,

- Including a lack of will to commit resources to implementation
- Change in the council's political administration or a coalition local government can make it difficult to establish political priorities for energy issues without established cross-party support.

One interviewee felt there was a need for a central repository of information and experience about technologies as they develop and are used in practice, which local authorities can access.

There were differing opinions on the role of consultants in supporting LHEES:

- One interviewee felt there was a risk of developing a career for consultants rather than building capacity internally within local authorities
- Another felt that there was a lack of appropriately skilled consultants to meet the potential scale of demand that LHEES could create.

There is a risk that public perceptions of LHEES could become negative

- There needs to be a greater awareness of low carbon heating and energy efficiency technology options in the general public.
- Business perceptions are unknown
- There is a risk of raising expectations too early without the capacity to deliver on them.

Technology challenges:

- Constrained electricity grid in certain areas restricting the options for electrifying heat
- Hard to treat buildings
- The need for remedial works - the existing conditions of buildings is sometimes too poor to enable energy efficiency measures to work. Current funding incentives do not cover these works.

Specific local issues:

- Difficult local economic conditions could make it harder to enforce potential regulations in certain areas.
- Approaches to working in rural and remote areas are still relatively untested

- High density of second home / holiday lets in certain areas make them hard to approach.

3. Areas for further discussion and next steps

This early-stage report is intended to support constructive discussions on key dimensions of LHEES in Scotland. The approaches and uncertainties discussed in this report will no doubt change and develop throughout the process of the pilot projects. Therefore, we use this section of the report to summarise the key themes emerging from our early discussions with the 12 pilot lead officers, and highlight some areas that we believe would benefit from further exploration and development as the projects progress.

Learning about governance, capacity building and resourcing

The pilots are clearly much more than a technical exercise to test methodologies and data collection. They will also provide valuable lessons in governance, capacity building, and resources needed to implement the LHEES model successfully.

There is shared uncertainty about what the work and skills of developing an effective LHEES entail, how the work can be done and how it can be resourced both in the short and long term. Within local authorities, interviewees highlighted the need to move from a project focus to a strategic focus. However, local authorities have limited recent experience of longer term strategic action. There were also concerns about structures for governance and project management, and about decisions on the division of responsibility between different local authority services, and between local authority teams and specialist consultants. At present, some lead officials are at relatively junior levels and are likely to lack the authority and line management responsibility to ensure that due priority is given to development and implementation of LHEES.

Standardised vs. local approaches

There was a clear desire amongst interviewees that LHEES should have distinctively local elements, addressing the specific contexts of each local authority area. Equally there was recognition of the opportunity to pool energy expertise across Scotland in a way that can be accessed by local authorities, as well as developing standardised 'best practice' methodologies to ensure consistency across the country, and to deal with uncertainty in data and methodologies.

An important on-going discussion during the piloting of LHEES will be about the appropriate balance between standardised methodologies, centralised skills and expertise, versus local, in-house knowledge and resourcing. The proposal for LHEES raises questions about the most effective means of strategic coordination between central and local governments and other parties, including specialist consultants, contractors and community enterprises. There are three common modes of coordination: first a bottom up approach led by local government, with programme management and resources largely devolved, according to a framework agreement with central government; second a top-down approach led by central government or a delegated Scottish public body, with local governments responsible for

implementation and progress reporting; third a hybrid approach, built on flexible development and review cycles between central and local government bodies and other parties. Each of these has strengths and weaknesses, but the pilots are a valuable opportunity to develop shared understandings about appropriate structures for strategic coordination. There is at present some uncertainty about how decisions on programme governance and coordination will be made, and by whom, along what timeline.

Political leadership and support

Local political leadership in relation to LHEES is experienced as uncertain, and perhaps intermittent. Consistent and prominent political support will however be critical to the effectiveness of LHEES and the Scottish Energy Efficiency Programme. These in turn are critical to Scotland's ability to meet its world leading climate protection goals, and to take its share of responsibility under the 2015 Paris Agreement.

A solution to local ownership & consistent political commitment is likely to be local, cross-party recognition that LHEES/SEEP can be the answer to local problems: jobs, regeneration, poverty reduction, quality of life and council revenues. Many interviewees had a keen appreciation of the need for greater political support and understanding about LHEES and SEEP. Socio-economic assessment tools were seen as a potentially critical component in securing local economic value from SEEP / LHEES and establishing this higher level of support and leadership.

Public engagement

Another critical challenge highlighted by many of the local authorities was the need for widespread public engagement to establish understanding and acceptance of low carbon heating technologies and energy efficiency measures. This engagement must extend across the commercial, industrial, third and public sectors. There is a need for an agreed common approach and action plan for engagement between Scottish Government and local authorities, to deliver consistent messages, backed by regulation and incentives for building owners across scales and sectors.

Supporting learning and debate in the pilot process and beyond

Discussions with the 12 local authorities reveal the high aspirations for learning from, and succeeding with, the projects. At this early stage of LHEES pilots, the local authorities still have diverse aims, approaches and expectations. This suggests, not surprisingly, that there is no clear consensus over the purpose, structure or content of the LHEES. Beginning to establish a shared understanding across local authorities and with Scottish Government about objectives and desired content will be an important function of the LHEES pilots.

As discussed in the previous sections, local authorities need to work with Scottish Government to understand and agree on an approach to national programme management, coordination and accountability, and to build the capacity for a locally-owned and -governed strategy which the local authority is confident can be implemented. Ensuring routine opportunities for local authorities to learn and debate with each other, and with specialists, will be one important way of enabling this to take place.



There is also a need for a Scottish Energy Efficiency Programme which enables innovative approaches to LHEES with an element of 'trial and error'. This requires scope for learning from relative failure without blame, to be matched with mutual accountability between local and central governments for progress against targets. Establishing this collaborative and constructive working environment in all aspects of the pilots and SEEP development phases will help to ensure even the most challenging issues are addressed and progressed.

This interim report is intended to offer information on the current local authority context for LHEES, and to inform decisions about how to focus efforts going forward. The evaluation research will continue to collect information as the pilots progress and this report will be followed up with a final report at the end of the process.