

# Local Heat and Energy Efficiency Strategies

LHEES Pilot Programme Phase 3  
Application Form and Guidance



## LOCAL HEAT AND ENERGY EFFICIENCY STRATEGIES

### PILOT PROGRAMME PHASE 3

#### GUIDANCE

This document combines the application form and guidance for the third phase of the Local Heat and Energy Efficiency Strategy pilot programme.

#### Introduction

1. The Scottish Government and local government are partnering to explore the introduction of Local Heat & Energy Efficiency Strategies (LHEES) which would set the strategy and a framework for reducing energy demand and decarbonising the heat supply of buildings in the area covered, across the timeframe of the Energy Efficient Scotland programme.
2. It is intended that LHEES underpin local delivery programmes operating under Energy Efficient Scotland and act as an investment prospectus for energy efficiency and heat decarbonisation, with a key role for local authorities in guiding and shaping that investment in the heat and energy efficiency markets, building on existing programmes.
3. The Scottish Government initiated an LHEES pilot programme to allow all 32 Scottish local authorities to trial aspects of LHEES in their regions. The pilot programme is also an opportunity to test approaches to the different elements involved in LHEES, which will feed into draft guidance for LHEES.
4. The Scottish Government is committed to providing support to all local authorities to pilot approaches and build capacity to deliver LHEES. To date two pilot phases incorporating 23 local authorities have been funded as part of the LHEES pilot programme to date. Evaluation of the first pilot phase is almost complete. A technical evaluation report is due to be published shortly and an organisational and social evaluation report will follow. It is intended that the remaining 9 local authorities will make up phase 3 of the LHEES pilot programme.

#### Funding and support

5. The Scottish Government would like to invite following 9 local authorities to submit an application for a pilot project to test Local Heat and Energy Efficiency Strategies (LHEES) in their local authority area. **(those local authorities that have already received support through the first two phases of the LHEES pilot programme are NOT eligible to apply for this funding).**
  - Angus Council
  - Comhairle nan Eilean Siar
  - East Ayrshire Council
  - East Dunbartonshire Council
  - East Renfrewshire Council
  - Moray Council
  - North Ayrshire Council
  - South Ayrshire Council
  - West Dunbartonshire Council

6. A budget of £50,000 will be available to each of the 9 local authorities for delivery of the pilot project. The application form should detail how this will be spent. Funding is available for all 9 local authorities so applicants will not be competing with one another, however funding is contingent on applications satisfying the criteria set out in this document. Early conversations with Scottish Government officials are recommended to increase the likelihood of applications being successful.
7. Local authorities will be expected to procure any support required to deliver the project, the funding may be used for internal staffing or to procure external contractor(s) to resource the project. The Scottish Government have procured a framework of contractors to support LHEES, which is available for local authorities to use from 1 August 2019. For more information on the framework contact Drew Murphy, [Drew.Murphy@gov.scot](mailto:Drew.Murphy@gov.scot).
8. Projects should provide clear details of how funding would be spent. Costs should be reasonable and the application should provide outline requirements for any consultancy support and/or details of the desired skills/expertise of any funded officer role.
9. The Scottish Government require that the projects be completed by the end of December 2020. Funding shall be payable over the financial years 2019/2020 to 2020/2021. Applicants shall provide a monthly profile of expenditure before the start of each financial year and expected profile of spend as part of the application. Applications are encouraged to frontload spend into 2019/20 where possible.
10. Projects will be required to provide progress updates to the Scottish Government on a quarterly basis.
11. In addition to financial support, LHEES pilots are being supported by the Scottish Government to build capacity and ensure the wider dissemination of knowledge across all of Scotland's 32 local authorities. This includes coordination of support available from our funded programmes such as Resource Efficient Scotland, the Energy Saving Trust, and the Scottish Futures Trust. This same support will be available to projects funded through this call and participants will be invited to attend workshops, training events and seminars.

## Timescales

<b>18 October 2019</b>	Deadline for submission of all proposals
<b>21-31 October 2019</b>	Scottish Government review proposals
<b>1 November 2019</b>	Scottish Government approve LHEES phase 3 projects

# CRITERIA FOR PROPOSALS

## Deliverability

12. All LHEES projects should be completed and all grant drawn down by end December 2020. Participating local authorities are encouraged to maximise draw down in financial year 2019-20 where possible.
13. The application form should outline what outputs will be generated from the LHEES process. All outputs should be sent to the Scottish Government by the end of December 2020. The Scottish Government also require an interim report, due at the end of March 2020, and a final feedback report, due by the end of March 2021. Standard templates will be provided for the interim and final feedback reports.

## Key components

14. The pilot projects should aim to test the full six stage LHEES process as outlined below. Please note, although some stages are dependent on those that precede them, the exact order of the stages is not fixed.

### LHEES stages

- Stage 1: An assessment of existing local and national strategies and data availability.
  - Stage 2: Area-wide assessment of existing building stock's (domestic and non-domestic) energy performance and heat supply.
  - Stage 3: Area-wide setting of aggregate targets for heat demand reduction and decarbonisation of all buildings – for the short-term strategy period and for the long-term duration of Energy Efficient Scotland.
  - Stage 4: Conduct a socio-economic assessment of potential energy efficiency and heat decarbonisation solutions.
  - Stage 5: Selection of areas/prioritisation of opportunities for energy efficiency and/or heat decarbonisation, leading to the designation of zones.
  - Stage 6: Costing & phasing<sup>1</sup> of delivery programmes that consider:
    - Requirement to prioritise delivery programmes in time-limited phases.
    - Designation of area-based energy efficiency and heat decarbonisation delivery programmes using zoning powers if needed.
    - Designation of other energy efficiency and heat decarbonisation.
15. Using the six stage process described above, all projects should produce a 20 year strategy outlining how the following targets will be achieved:
    - All building (domestic and non-domestic) carbon emissions are consistent with proposed targets of a 90% reduction by 2040 and net zero by 2045.
    - Removing poor energy efficiency as a driver for fuel poverty.
  16. All projects should use the Scottish Government's draft socio-economic assessment methodology ([published February 2019](#)) for stage 4 of the LHEES process.

---

<sup>1</sup> The phasing of delivery programmes may be challenging within the constraints of pilot projects that do not cover the full local authority area, therefore this aspect should be considered optional. The pilot projects should, however, provide costs for the delivery programmes.

17. All projects should make use of the data available to local authorities from [Home Analytics Scotland](#) and the [Scotland Heat Map](#).
18. Projects should fit under at least one of the below themes the Scottish Government aim to explore during phase 3 of the LHEES pilot programme:
  - A focus on areas with high heat demand and therefore significant opportunity for district heating.
  - A focus on areas with a high proportion of buildings off the gas grid.
19. Projects can be limited to one or more defined geographical areas. I.e. they do not have to cover the full local authority area, although local authorities are free to deliver an authority-wide LHEES if they wish to.
20. In addition to the themes above, the Scottish Government would welcome projects that explore:
  - Integrating [Local Energy Plans](#) into LHEES (in addition to working on the LHEES area identified) so to consider a wider set of issues than just heat and energy efficiency.
  - Opportunities for partnership between local authorities in the delivery of LHEES, either through shared resourcing or a cross-local authority LHEES pilot.
21. In addressing these issues, applicants should take a [place based approach](#) and consider them in specific urban, suburban and/or remote rural settings . This may be an important consideration for local authorities where particular geographies will have a bearing on the approaches taken to address energy efficiency and heat decarbonisation at the strategic level.
22. Final outputs of funded projects should include a Local Heat and Energy Efficiency Strategy document, and the content, timescales, cost, funding and appropriate vehicle(s) for a delivery programme in one of the above areas.
23. Projects should be delivered by end December 2020 and successful proposals will be required to agree a work plan with the Scottish Government. Proposals should outline the chosen focus area, provide details of the local authority team working on the project and how funding will be used, including any outline requirements for consultancy support.

### **Project Team/Governance Structure**

24. A project governance structure should be provided, with clear roles and responsibilities. This should consider what input and representation may be required from relevant services across the local authority and its corporate governance frameworks. Projects should consider how any analysis (either from consultancy support or developed internally) will be used to inform their internal decision making process.

### **Existing Strategies and Datasets**

25. Successful bids will have considered what existing local strategies and datasets could be used to inform the project.

# Local Heat and Energy Efficiency Strategies

## Application Form

(All the boxes in the table can be expanded).

Applications should be returned to [drew.murphy@gov.scot](mailto:drew.murphy@gov.scot).

Queries should be addressed to [drew.murphy@gov.scot](mailto:drew.murphy@gov.scot) tel: 0131 244 1045

## 1. Project Details

**Please provide a detailed description of the project,**

*This should include details of the project focus (refer to guidance document for further information), location(s) being considered, any relevant previous work undertaken and the expected final outputs. You should also provide details here of any existing local strategies and datasets that can usefully inform your LHEES project.*

## 2. Project Team/Governance Structure

**Please provide details of the project team and governance structure**

*This should include details of the roles and responsibilities of those involved in delivering the project. You should consider what input may be required from services across the local authority and its corporate governance frameworks and provide details of what has been done to ensure their participation. You should detail how any analysis (either from consultancy support or developed internally) will be used by the project team to inform decision making and develop the final outputs of the project.*

## 3. Funding

**Please outline here the costs for the project and how funding will be used**

*Please provide a breakdown of the costs for the project and the anticipated outputs from funded activities. You should provide details of how funding will be used, including outline requirements for any consultancy support and/or details of the required skills/expertise of any dedicated role funded through the project.*

<b>Funded activities</b>	<b>Costs</b>	<b>Outputs</b>

#### 4. Project Timeline/Risk Register

**Please provide details the project timeline and any risks to project delivery**

*This should consider anticipated dates for final/draft outputs as well as key dates for the completion of interim project stages. You should consider what risks might delay project delivery (e.g. data sharing, procurement, approvals process, recruitment) and what measures can be implemented to mitigate these risks.*

Stage	Dates	Risks and Mitigation

#### 5. Monitoring and Evaluation/Capacity Building

**Please provide details of how you will help to evaluate the outcomes of the project and use the project to build capacity in preparation for any future statutory duty to develop an LHEES**



## 6: Declaration

The application form should be certified by the senior responsible officer in the local authority promoting the pilot as being true, accurate and being formally approved for submission by the local authority.

*On behalf of the council, I named below confirm that I have the authority to submit this application and that committee approved this application on the following date:*

<b>D1:</b> Signature:		<b>D2:</b> Date:	
<b>D3:</b> Name (printed):			
<b>D4:</b> Job title:			
<b>D5:</b> Organisation:			
<b>D6:</b> Address:			
<b>D7:</b> Email address:			
<b>D8:</b> Telephone number:			
<b>D9:</b> Date of committee approval (where committee approval is not yet confirmed, please state this and provide an expected date of approval):			

Completed application forms **must** be emailed to [drew.murphy@gov.scot](mailto:drew.murphy@gov.scot) by 23:59 on 18 October 2019.