

Local Heat and Energy Efficiency Strategies: Phase 1 Pilots

Social Evaluation Report

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Local Heat and Energy Efficiency Strategies: Phase 1 Pilots

Social Evaluation Report

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Executive Summary

Background

This report details the social and organisational implications of delivering Local Heat and Energy Efficiency Strategies (LHEES). The concept of LHEES was introduced in 2016 and is being piloted as part of the Energy Efficient Scotland programme. Scottish Government have run [consultations](#) on the concept of an LHEES and the possibility of it being a statutory duty. LHEES aim to establish area-based plans and priorities for systematically improving the energy efficiency of buildings, and decarbonising heat. Between September 2017 and March 2019, 12 local authorities participated in the first round of LHEES pilots. The aims of the pilots were to test and develop methods for creating an LHEES, identify relevant sources of data (and any data gaps), and gain a fuller understanding of the resources and capabilities required to deliver an LHEES. The findings presented in this report are derived from interviews with all 12 local authorities, the external consultants, and Scottish Government representatives involved in the delivery of these pilots.

Findings

All of the local authority officers interviewed stated that, by being part of the pilots, they gained a better understanding of what an LHEES involves. Many of the pilots served to confirm existing local knowledge and provided evidence to support proposed activities, which was generally perceived positively. The majority of participants said that the pilot had encouraged cross-department working and co-operation; however, the lead officer was often in a role which lacked line management authority or budget control, and hence had to rely on the goodwill of colleagues who did not regard LHEES as being a requirement of their role. Whilst some officers felt that the pilots had not provided a clear and definitive method for future LHEES delivery, all of the local authority officers and external consultants interviewed supported LHEES becoming a statutory duty. In all cases, participants said that the development of a statutory duty would need to be coupled with additional resource.

Key Lessons

- Greater certainty in future resource levels at national and local levels would help to facilitate the development of a management model fit for the purpose of delivering the long-term aims of LHEES, and the wider Energy Efficient Scotland programme.
- Local and national government (and any partners involved in the development of LHEES) should ensure they have a shared understanding and framing of the scope and focus of the LHEES.
- Local authority officers would value greater clarity from Scottish Government on the future of LHEES and the trajectory to deliver this.
- To facilitate the most efficient use of resources, LHEES development should be integrated with existing local authority strategies and planning activities wherever possible.
- Much of the data required for LHEES is available, but some local authorities still face challenges with gaining access to some data, and gaps remain in the

availability of data for non-domestic properties. This could be improved through implementing compulsory non-domestic energy consumption reporting requirements, and establishing agreements for the sharing of data.

- Geographical and urban/ rural specificities have a significant influence on the delivery of LHEES. If independent, non-local consultants are involved in the development of LHEES, it is important to find ways to ensure that local needs are adequately incorporated. For example, consultants could spend time in the local authority area in order to better understand the local context.
- Functions currently provided by Home Energy Scotland and Zero Waste Scotland's 'Resource Efficient Scotland' programme for small and medium-sized businesses should be maintained, as these offer important resources to allow councils to engage across different sectors of the built environment.
- Any possible statutory duty to needs to incorporate both the *development* and *implementation* of an LHEES, and the resource to deliver this.
- There is general support amongst local authority officers for LHEES becoming a statutory duty but this would need to be coupled with:
 - More detail and guidance on exactly what is expected
 - Support in establishing chains of accountability
 - Support in engaging senior management and councillors
 - Sufficient resource to deliver an in-depth and useful strategy. Some suggestions made by local authority officers included: the addition of one or two full time officers; support for development of necessary skills; additional consultancy support; resource should be in-house with the local authority.

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1. Introduction

Local Heat and Energy Efficiency Strategies (LHEES) are currently being piloted under the Energy Efficient Scotland programme. LHEES aim to establish area-based plans and priorities for systematically improving the energy efficiency of buildings, and decarbonising heat. The Scottish Government have outlined LHEES as including the following components¹:

1. An assessment of existing local and national strategies and data availability
2. Authority-wide assessment of the existing building stock's energy performance and heat supply
3. Authority-wide setting of aggregate targets for heat demand reduction and decarbonisation of buildings – short and long term
4. Socio-economic assessment of potential energy efficiency and heat decarbonisation solutions
5. Selection of areas/ prioritisation of opportunities leading to the designation of zones
6. Costing and phasing of delivery programmes.

Under Phase 1 of the LHEES pilot programme, 12 local authorities around Scotland were awarded £50-70K to trial the development of an LHEES (see Figure 1). The funding was used to provide resource in the form of staff time, to procure consultancy services to carry out aspects of the work, and to conduct stakeholder engagement. The pilots ran from September 2017 to March 2019.

The primary aims of the LHEES pilots were to test and develop methods for creating an LHEES, identify relevant sources of data (and any data gaps), and gain a fuller understanding of the resources and capabilities required to deliver an LHEES. Each of the 12 local authorities involved also had their own specific aims for their pilot. A summary of the initial aims and scope of each LHEES pilot is included in Table 1.

Local Authority	LHEES pilot stated initial aims
Aberdeen City Council	<ul style="list-style-type: none">• To develop LHEES for the Ward of Tillydrone, Seaton and Old Aberdeen, which contains a large part of one of the city's regeneration areas: Tillydrone, Woodside and Seaton.
Clackmannanshire Council	<ul style="list-style-type: none">• To develop a number of key LHEES elements in the Clackmannanshire settlements of Alloa and Tullibody.• To provide a framework for targeting energy efficiency and heat decarbonisation measures using current funding streams and potential future funding.
Dundee Council	<ul style="list-style-type: none">• To develop LHEES for the Lochee Local Community Planning Partnership (LCPP) area. The area situated towards the west of the city and includes 11 distinct community areas including a district centre (Lochee), retail, leisure and industrial areas.• To understand how LHEES can fit into existing city-wide

¹ Scottish Government (2017) LHEES consultation document

	commitments and strategies such as the Covenant of Mayors 'Sustainable Energy & Climate Action Plan' (SECAP).
Dumfries & Galloway	<ul style="list-style-type: none"> To pilot the development of an LHEES in the small off-gas grid settlement of Glenluce and dispersed properties in the surrounding data zone area.
City of Edinburgh	<ul style="list-style-type: none"> To develop guidance for an LHEES for the Royal Mile and Old Town areas of Edinburgh, focusing on an area where two Energy Efficient Scotland pilots were already taking place.
Glasgow City Council	<ul style="list-style-type: none"> To develop LHEES for the whole of Glasgow city. This will be a progressive & iterative evolution of the Council's Energy & Carbon Masterplan which expires in 2020. It will be a 17-year strategy and delivery plan for Glasgow that culminates in 2037.
Highland Council	<ul style="list-style-type: none"> Produce LHEES to set out targeted energy efficiency & heat decarbonisation delivery programs in Inverness Central, Millburn, Culloden and Ardersier wards. To define standardised approaches for the assessment and production of future LHEES
Perth & Kinross Council	<ul style="list-style-type: none"> To develop a pilot LHEES for the Perth City North/West area (Perth City Centre, Perth City North and Strathtay).
Renfrewshire Council	<ul style="list-style-type: none"> To test the veracity of a data processing tool, Energy Data Integrations System (EDIS), used by Oxford and Coventry Councils, and developed by Ricardo. To assess whether the data available is suitable for the EDIS tool, if there are key data gaps which can be addressed either by the local authority or Scottish Government, test the veracity of the data and then test the engagement rates and output rates of interventions delivered.
Scottish Borders Council	<ul style="list-style-type: none"> To develop a LHEES for Peebles in the Scottish Borders, as part of the Energy Efficient Scotland pilot 2017/2018 based on the full integration of a range of data sources and a high level of stakeholder and community engagement.
Shetland Council	<ul style="list-style-type: none"> To deliver an LHEES for the island of Yell, considering how best to maximise the use of constrained local renewable generation to decarbonise heating on the island.
Stirling Council	<ul style="list-style-type: none"> To develop a pilot LHEES for the area covering Braehead, Forthside and Raploch to set out targeted energy efficiency and heat decarbonisation pilot delivery programmes in Stirling which can then be replicated across the area.

Table 1: Summary of LHEES activities for each local authority.

12 First Round LHEES pilots

Sept 2017 - Mar 2019

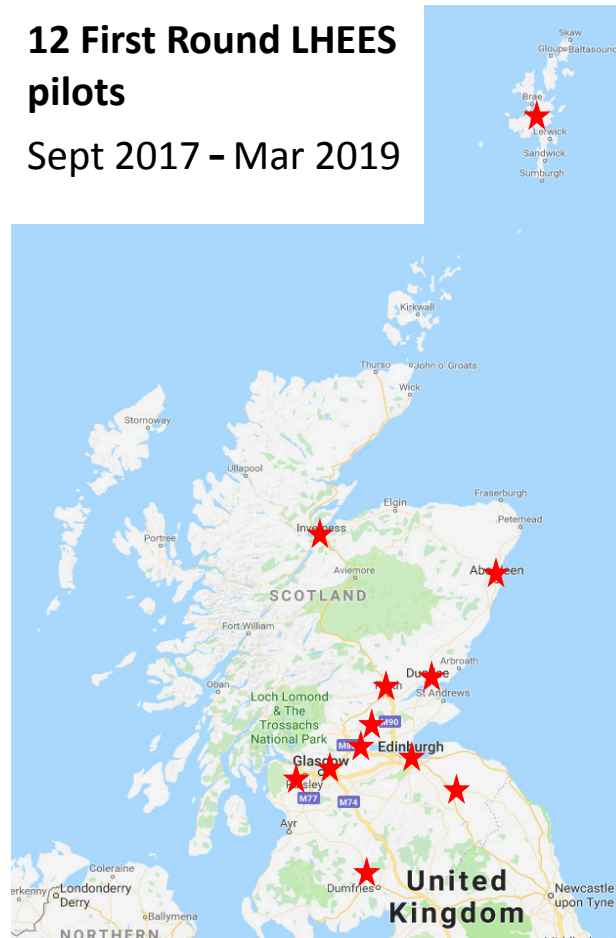


Figure 1: Map illustrating the 12 local authorities that took part in the first round of LHEES pilots

2. Method and analysis

The University of Edinburgh was appointed to carry out an independent evaluation of the LHEES pilots. The evaluation seeks to identify lessons from the first 12 pilot projects to inform the future development of this programme, for Scottish Government, local authorities, and project partners. This evaluation focuses on the organisational and social aspects of the LHEES pilots; an evaluation of the techno-economic methodologies and assessments used has been developed by Atkins.

This evaluation primarily draws on in-depth semi-structured interviews conducted with each of the pilot teams at the beginning and towards the end of the pilot projects. These included representatives from each local authority, external consultants, and Scottish Government. These interviews considered:

- Scope and content of the pilot LHEES
- Activities and processes involved in developing the LHEES
- Skills and resources required to develop the LHEES
- Perceptions of LHEES, both within and outwith the local authority.

All of the interviews lasted between 30 and 90 minutes and they were normally conducted in the local authority's offices or nearby. The interview data has been analysed according to themes emerging, including: pilot outcomes; the impact of local authority structures and resource on delivery; partnerships and consultancy; stakeholder engagement; local authority structures and political will; and next steps.

3. Results

3.1 Pilot outcomes

At the time of writing, the majority of LHEES reports were still being finalised, and so the content of these has not been incorporated into this analysis. However, across all of the pilots, developing an LHEES included collating nationally available databases: Home Analytics, the Scotland Heat Map, and Energy Performance Certificates, with additional information held by local authorities.

During interviews, many local authority officers identified a series of additional outcomes from their LHEES pilots. These included developing understandings of what producing an LHEES involved, establishing tools to support the future development of an LHEES, and understanding the connections between LHEES and existing local authority strategies. These issues are elaborated in the following two sections.

3.1.1 Learning how to develop an LHEES

The exact shape, and subsequent learnings, of each LHEES project varied. For some, focusing on a small area helped to demonstrate 'what an LHEES might be' such that they were prepared for developing a wider strategy in future. The majority of local authorities, in partnership with consultants, **generated reports from the LHEES pilots**. These identified priority areas for future energy efficiency interventions, and the feasibility of alternative heat sources in different areas, for example, district heating and the use of heat pumps. For one council, the main output of the pilot was a **specific tool to support LHEES** development. This was a tool previously developed and used by a consultancy company with a small number of local authorities in England. A large aspect of this pilot was testing the suitability of the tool in the Scottish local authority context, such that it may be applied in future:

"We thought it would be worthwhile getting a team together that can bring in [council-owned] information, also bring in the publicly available information as well, and trying to see how we can actually put it altogether and merge it into a kind of map format that's an easy to use tool" (local authority officer)

A common initial aim of the pilots was to gain experience and knowledge of methods, data requirements, and processes for developing an LHEES. In the interviews, all councils stated that, simply by being part of the pilots, they did have a **better understanding of what an LHEES involves** and how it can be done. The majority of local authority officers stated that they had achieved 'an understanding of the approach', or methodology for how to do an LHEES:

"Our project...was more about methodology and consequently what we were hoping for out of that process was a much better idea about how to do an LHEES and all the issues that might need to be thought about in terms of doing an LHEES." (local authority officer)

In some cases, developing this understanding included gaining additional skills or understanding which ones would be required in order to deliver LHEES. This included an ability to work with large datasets, and engaging in training for understanding and manipulating Geographical Information Systems (GIS). However, one of the consultants involved in the pilots highlighted that some elements of an LHEES required engineering expertise. One external consultant highlighted that this was especially true of thinking through potential district heat networks, which went beyond the analysis of a dataset, and started to consider how a network would be routed, and heat density, for example.

Additional skills cited by local authority officers included the ability to think in a strategic manner, and to identify and engage with relevant colleagues across the council, and external stakeholders. Through these various learnings, local authority officers generally felt that the pilots had achieved what they had set out to do:

“I think we...met what we expected to - kind of. In our project brief we said we wanted...an evaluation of the area we selected, which we got. And we wanted to do a socioeconomic assessment, and we've got the methodology back for that. So that was kind of our main two official objectives, which were met by this.” (local authority officer)

However, it is also important to note that some councils expressed disappointment that, whilst they had a better understanding of what an LHEES involved, they **did not feel that they had been left with a replicable method** that they would be able to roll out across the whole local authority area. The reasons for this are varied, but they include the perceived duplication of existing local authority schemes (discussed in Section 3.1.2); challenges in partnership working (discussed in Section 3.4); and challenges in working across all sectors (discussed in section 3.5). For future, wider scale LHEES, **a shared framing encompassing both expectations of what an LHEES looks like and guidance for developing an LHEES, needs to be developed through shared national and local deliberation and decision making.**

3.1.2 Extending knowledge and connecting to existing strategies

For many councils, a key outcome of the pilots was to **confirm officers' current understanding** of their building stock and the potential intervention options. In many cases, the analysis of the data delivered 'no major surprises', but provided **evidence to support planned projects**. For example, in one case, a previously proposed location for a district heating network was re-confirmed as suitable through the LHEES analysis. This confirmation of existing knowledge and proposed activities was generally perceived to be a positive thing. Similarly, where new analysis conducted under LHEES suggested that existing proposals may not be as feasible as first anticipated, this was also felt to be useful:

“We gave them some examples of work that we had been doing on district heat networks and they ran it through their calculations and it came out to show they're not to be as viable as what we first thought so that...was a positive thing because...the last thing we want to do is waste money or take any risk so I thought this is quite good.” (local authority officer)

Through the LHEES, some councils have identified specific opportunities for heat and energy efficiency projects that they plan to follow up. However, some local authority officers noted that their LHEES pilot identified few significant new opportunities. This was in part attributed to the limited nature of the pilots, which often focused on areas that the local

authorities had already been working in rather than whole local authority regions (for example, as part of the broader Energy Efficient Scotland pilot), and the involvement of external consultants who were not always able to include work that the council had already done in their analysis. However, there was recognition that a full authority-wide LHEES could allow the council to identify new opportunities and link together existing schemes. In addition, some participants highlighted that the **LHEES overlapped with work already done on other local authority planning activities**. This was especially true where mixed-sector strategies had been developed, such as the Sustainable Energy and Climate Action Plans (SECAP):

“We were very much intent on developing an energy master plan. We knew we had to do that and we were focused on developing it through the Covenant of Mayors process – the [Sustainable Energy Action Plan] SECAP now. But LHEES kind of seemed a wee bit tangential and covered some elements of it but not others and I think we understand why, for the different devolved and reserved issues between the two governments, but, no, it did come out of left field a wee bit.” (local authority officer)

This identification of overlap is critical when local authorities are already experiencing constrained resources. However, there are important differences between the SECAP and the proposed plans for LHEES. In particular, SECAP has only been developed by those signed up to the Covenant of Mayors scheme (a voluntary programme), whilst it is currently being suggested that councils will be required to implement LHEES. In addition, it tended to be larger local authorities who have engaged in these schemes; some authorities still have very little engagement in energy planning strategies. Further, LHEES specifically focuses on heat and energy efficiency amongst the building stock; SECAP is broader but lacks this focus on the built environment. Thus, whilst there is overlap between the overarching aim of LHEES and other sustainability strategies, these are not delivering the same things. In the interests of not duplicating efforts, the subsequent development of the LHEES programme should account for those authorities that have already worked on similar schemes.

For some authorities, existing strategies offered a useful ‘launch point’. In one case, this resulted in an extended engagement with existing programmes at the beginning of the pilot process, to **ensure that the scope of the LHEES addressed and built on previous strategies**. This helped to ensure that the LHEES could have maximum impact as a strategic document, and offer a helpful ‘next step’ in the council’s strategic thinking:

“So the LHEES will be effectively the third iteration of our [low carbon energy strategy] at a city level. So we started with [a sustainability plan], then we had the [SECAP], and the LHEES was the next iteration on from that...we are very keen to avoid rewriting or having multiple strategies covering the same thing over and over again” (local authority officer)

Such existing schemes could also be helpful in identifying who to engage in the process of developing the LHEES pilots. In particular, Local Development Planning was identified as a critical area of overlap:

“We realised very quickly there were an awful lot of overlaps between planning and the LHEES ...and so consequently we were able to kind of almost get markers in with our [Local Development Planning] LDP team to say, going forward guys you’re going to have to think about this and things like zoning concepts and so on” (local authority officer)

The planning system primarily focuses on new development, rather than existing buildings and infrastructure. By covering both new and existing development, LHEES complements the planning system; this suggests that **the development of LHEES needs to be integrated with planning activities**. For example, forthcoming planning bills need to ensure that there is scope for cross-sectoral interventions in both heat and energy efficiency, and planning teams need to be made aware of area-based regeneration plans.

3.2 The impact of local authority structures and resource on LHEES delivery

3.2.1 Cross-department collaboration and alignment within councils

The LHEES pilots were led by local authority officers in a variety of roles. In some cases, the pilot funding was used to hire an individual to specifically manage the pilot; in others the pilot work was added to an officer's existing remit. Those involved in leading the pilots tended to be energy, climate change, or sustainability managers, working in conjunction with officers from sustainable development, housing and regeneration, building services, and planning teams. The exact configuration varied according to differing council structures.

One of the aims of many of the projects was for LHEES to help integrate local policy and programme delivery across council departments. In the interviews, the majority of interviewees stated that **the pilot had encouraged cross-department working** and co-operation. Some councils already worked in this way, for example noting that those working on energy management, building maintenance and area based schemes were all sitting beside one another and able to link their work together 'on a day-to-day' basis. However, the majority of participating councils used the opportunity to create new working groups or informal collaborations for the delivery of the pilots. These included colleagues from across several council departments:

"Myself and a colleague from housing, [a colleague] from a business and non-domestic perspective, people from public buildings, building warrants team, wider planning team ... projects and infrastructure as well so there w[ere] the right sort of people." (local authority officer)

"We had an internal informal LHEES working group so it was sustainability, housing, energy management, planning." (local authority officer)

Local authority officers generally felt that this sort of cross-council collaboration represented a new way of working, which had been successful in the case of the LHEES pilots. This helped **align different council agendas** and programmes, and overall, there was felt to be an appreciation of the benefits of working together.

However, several officers described how they or their colleagues **lacked time** to commit to LHEES activities. It was especially difficult to engage people because this was **not a core or priority or requirement**:

"I've struggled a bit with managing the project, just in the sense of resources and time for me; that's been a bit of a constraint. I've not been able to give as much time to the project as I would have liked." (local authority officer)

"It was in nobody's work plan to do this. This was a thing that we said, could you, we've got money for a pilot, could you please try and input into this." (local authority officer)

As a result, interviewees commented that they were reliant on informal favours, for example, ‘pulling a member of our team off her job’ (local authority officer), and ‘**a lot of goodwill**’ from colleagues in order to get the pilots delivered:

“It was very difficult because, end of the day, I don’t line manage some of those people...when it came to workloads, if I’m asking them to...[for example] check planning for this area, it takes time off them and, you know, it’s relying on this kind of thing” (local authority officer)

“People were saying, look, we’ve got statutory duties we’re dealing with now” (local authority officer)

“We pulled in favours from people we worked with elsewhere to get, you know, ‘the estimate is about thirty grand a year on electrical cost’.” (local authority officer)

Relying on ad hoc, poorly-resourced management models is likely to be insufficient for achieving the radical goals of the policy. It was suggested that extending beyond the small groups involved in the pilots to wider teams for future LHEES development and implementation would be particularly challenging. This included the acknowledgement that different teams, such as energy, planning, and housing, would need to be ‘more formally aligned in the future’ (local authority officer). There were also local authorities where alignment across departments had not happened during the pilots. This was accompanied by concerns about whether such cross-departmental working would be retained amidst re-shuffles or without the same funding:

“The post I’ve got disappears at the end of the month, or the sustainability post disappears at the end of the month. [My colleague is] going to move over to energy within buildings, so we will not have a sustainability function” (local authority officer)

The interviews highlighted that LHEES project teams were reliant on people volunteering their time and expertise, potentially at the expense of their core tasks, and there were concerns about the loss of expertise amidst resource reallocation and re-shuffles. This reliance on volunteers and uncertainty in future resource levels is unlikely to present a management model fit for the purpose of delivering the long-term aims of LHEES, and the wider Energy Efficient Scotland programme.

3.2.2 Establishing available expertise and skills requirements for LHEES

Many councils found the pilot useful for **identifying the information and expertise required** for the delivery of LHEES. This included the identification of skills that council officers already had, or would need to develop for the broader roll out of the LHEES programme. Interviewees recognised **a variety of skills required** because of the cross-sector nature of the LHEES:

“It’s a multitude of different skill sets so you need...understanding about energy, energy usage, energy bills. You need...building survey EPC type skills...there is probably planning and understanding of how planning works...the other skill set would be...influencing policy and strategy in the council...that skill set in terms of taking a strategy through to implementation...it’s a co-ordination role in project management” (local authority officer)

“Whoever’s going to be charged with delivering an LHEES...needs to understand about energy efficiency measures, heat decarbonisation measures, district heating...different building types” (external consultant)

Some participants reflected more fully on particular types of skills for delivery. The need for **strategic thinking and project management** was identified as important by several participants. This related to both how an LHEES would be delivered (for example, the types of skills available in-house and which aspects would need to be outsourced), but also how an LHEES might be made to appeal to those in executive and elected roles at the council. In addition, **liaison and relationship building skills** were recognised as critical for the identification and sharing of information. An external consultant suggested that this broad range of skills may exist within the local authority, but it could be split between different people so that expertise would need to be brought together in some way. This relationship building also included community and stakeholder engagement.

“You would need an engagement officer because a lot of it...is about engaging the community, engaging with existing community groups so somebody who’s probably au fait with the agenda but also has strong engagement sort of toolkit on board” (local authority officer)

In addition, one of the most critical aspects of the LHEES pilots was the **identification, sharing, and analysis of relevant data**. Different datasets are typically held in different parts of the council and for most councils the pilot was useful for merging datasets and making people aware of what data were available and how they could be used. External consultants also reported that local authorities were pleased to have ‘all of the data in one place’ as an outcome of the pilots.

The extent to which the council teams felt capable of delivering the work in house **varied significantly from council to council**, particularly in terms of technical expertise. A small number of local authorities used in-house expertise for data checking and analysis, particularly citing the contribution of those with GIS (Geographical Information Skills). However, **data analysis was recognised by the majority of interviewees as an area where they had limited expertise or availability** (for example, those in the GIS department being unable to take part in the pilot).

In addition, local authority officers also identified **a lack of data available for some types of building stock, with commercial buildings being particularly problematic**.

“Non-council owned non-domestic buildings...that’s not owned by the council therefore we don’t have any information and that’s a huge gap.” (local authority officer)

“Commercial-wise it’s, beyond the heat map data...which, you know, that gives an estimate of what it expects the heat demand for each place to be. Beyond that, we’ve really got no data for the energy use of these commercial properties so...that’s our biggest gap...in data.” (local authority officer)

Where external consultants were involved in the pilot projects, some local authority participants understood the collation, cleaning, and verification of data to be outside of the consultant’s remit. This was problematic because very few of the local authorities in the pilots had the resource to perform these tasks themselves. In addition, external consultants did not have the resource to identify new data (for example, about the non-domestic sector), and so large gaps remained in the final LHEES reports:

“There was one statistic that just absolutely stuck out to me...in the meeting with [the consultant] and there was a pie chart...and it was ninety-three percent unknown fuel type...[for] non-domestic. And to me that screamed out...that is the extent of lack of information. Yes, [the consultant] looked for information, we tried to give them anything we had” (local authority officer)

“For the non-domestic sector there’s just not enough data to do anything robust or sensible. So whilst we’ve developed the tools and methodologies we’ve not actually then been able to really use them and deploy them.” (external consultant)

Both local authorities and external consultants highlighted the need to collect data about non-domestic buildings, including building type and fuel type.

“Building types were what the energy efficiency measures were based on...to be able to estimate a carbon saving that’s what you needed the fuel type for...you can’t apply [energy saving estimations] if you don’t know what type of building it is...[non-domestic are] wildly different buildings.” (external consultant)

There were cases where local authorities were unable to access data from other departments, meaning that the scope of LHEES was limited. For example, one interviewee felt that additional data on floor sizes and characteristics for non-domestic buildings would be available from the Property Division. However, after repeated attempts to engage with that department they had received no response. This was attributed to them not having the time to ‘sit down and pull all that information out’ (local authority officer).

Scottish Government could play a role in helping to ensure that data that is essential for the development of an LHEES is available to and accessible for local authorities. There is EPC data available for both domestic and non-domestic properties; however, it was noted that some of this was difficult for councils to access and not always up-to-date (particularly in the case of non-domestic data). Future support might include implementing more comprehensive non-domestic energy consumption reporting requirements, and facilitating the sharing of data. All local authorities identified that **additional resource would be required** to fund staff time, and develop expertise for the development of LHEES. External consultants recognised that this lack of resource within local authorities sometimes made it difficult to engage:

“The nature of the work means you are drawing on different people with the local authorities and there’s usually one person coordinating the effort, but it’s quite a slow process because it’s not the priority for them...it’s not their job essentially, it’s kind of an extra, so it’s understandable that it takes a backseat” (external consultant)

This is discussed further in Section 3.6.

3.3 Partnerships and consultancy for LHEES

3.3.1 Challenges of aligning expectations from the start

All of the local authorities involved in the first LHEES pilots engaged with external consultants for some aspects of the work. Nine of the 12 authorities worked with the same external consultant, who had been centrally procured by Scottish Government. However, one consultant suggested that this meant ideas for some of the pilots were coming from Scottish Government, rather than the local authorities themselves. It was also noted that

the level of engagement with the external consultant varied depending on what the local authority specified at the outset of the pilot:

“Before any [external consultants] were involved [local authorities] had discussions with Scottish Government, decided what mattered to them where they felt they needed the most support and that’s then been written into the scope. So for some of them we’ve been supporting maybe in stakeholder engagement, for some of them we’ve been supporting with the data, but it’s been whatever they felt that they wanted the consultancy support on” (external consultant)

“Whereas if they were being dealt with individually as a client then you would have sat down with them and said what do you want from this? Oh you want this ... they’d have a completely separate methodology that worked differently” (external consultant)

Three authorities either managed the majority of the pilot in house, or hired a consultant via their own procurement processes. In all cases, local authority officers reported that there were challenges in aligning expectations across all project partners. Some interviewees suggested that **none of the partners (including themselves and Scottish Government) had a very clear idea of what an LHEES should look like at the start of the pilots**, which made it more difficult to have a shared vision for completing the pilot:

“I think the other thing that is sort of disappointing is, LHEES, it was talking about heat and energy, and the concentration [from the consultant] has been a bit more on the heat than the energy.” (local authority officer)

“They’ve delivered stuff and not consulted with us...like trying to review a council policy but without engaging with people [in the local authority] about the review and then ‘well, that’s not live, and you’ve missed this one’” (local authority officer)

One external consultant highlighted that, despite these challenges, there was a broad alignment of sustainability goals in that all parties “passionately believe in decarbonisation and alleviating fuel poverty and the result is...a lot of flexibility in approach and good working relationships”. However, there was also broad recognition amongst local authority participants that the priorities and outlook of councils and consultants will inevitably differ and it is **important to have a clear, mutually agreed contract** and deliverables from the start. Those who employed their own consultants (rather than using central procurement) typically had a better experience here. A critical aspect of this type of partnership working is clear communication. Some external consultants were felt to have ‘kept up a dialogue the whole way through’, which was valued by participants. However, a number of local authorities suggested that they would have benefitted from ‘more open conversation’ and discussion of the work that some of the consultants were doing:

“Some of it was we would get back the options appraisal and it was something simple that we could have answered if we knew that’s what they were looking for but because there wasn’t so much of a two-way dialogue...we weren’t really aware of what they were doing until it was done if that makes sense?” (local authority officer)

This challenge in aligning expectations was felt to be reinforced by the model of Scottish Government centrally procuring a consultant, because lines of command became unclear:

“Technically we are clients but we’re not clients because they take their instruction from Scottish Government and that became a conflict in terms of the day-to-day

stuff or individual councils may be different...but because they were given an overarching brief...it became very generic because their brief was so generic because it was the same for all of us” (local authority officer)

“that we were maybe guilty at first of treating the councils as stakeholders rather than as direct clients and the result of that was there was maybe for some of the councils they didn't feel or indeed it may be my own perception they didn't get the opportunity to contribute enough early on because we'd sort of directed our attention towards Scottish Government.” (external consultant)

These challenges in aligning expectations were also recognised in cases where a contractor had recruited a sub-contractor for aspects of the work. Again, the local authority is not the direct client in this case, and so there is a limited capacity to tailor an LHEES to specific local authority requirements. This suggests that **there is a need for local authorities to be primary clients and work closely in the event that any LHEES work is externally procured**. Another challenge was the alignment of timescales for aspects of the work that local authorities and consultants were completing:

“It was counterproductive for us because, to make, to fulfil the [the consultant's] requirements under the appointment, we gave them three projects which we had been considering...which they wrote into a report, which then caused a bit of internal panic and ultimately...[the consultant] had been appointed to do something that we didn't really need at that phase...so it kind of slowed things down more than anything else and I wouldn't say out of the back of that that we are now in a better place to do [that analysis].” (local authority officer)

This experience highlights that **if timeframes are misaligned for particular aspects of the work then the maximum potential benefit might not be achieved from an LHEES**, both in terms of knowledge within the local authority, but also the content of the LHEES itself. A second aspect of aligning expectations was in the sharing of data. For some of the partnerships, data sharing agreements were put in place with the support of Scottish Government. However, there were also projects that experienced delays because data sharing agreements were not in place early in the pilot timeframe.

3.3.2 Tailored vs Generic approach

As discussed, a single contractor was procured by Scottish Government to work across several of the LHEES pilots. An external contractor suggested that this model helped in terms of sharing information and cost efficiencies:

“There's been really good stuff in it in terms of being able to share lessons, experience, knowledge across the nine different councils and if this had been delivered as nine separate contracts the overall cost would have been a lot higher.” (external consultant)

However, a common view amongst interview participants was that having a centrally-procured consultant meant that the LHEES became more generic, whilst all of the local authorities involved wanted an LHEES that was as tailored to the local context as possible. **Local authorities generally believed that a 'one size fits all' approach is not the right approach for LHEES**. One participant noted these concerns as a reason for declining the support of a centrally procured consultant:

“If particular questions come up about [a local authority] because something has to be bespoke to us, you're not going to be able to answer that...and

consequently we're going to get a very generic scope and...very generic outcomes." (local authority officer)

This initial skepticism of centralised procurement led this local authority to appoint their own consultant to complete aspects of the LHEES. This concern was mirrored by some of those working with the centrally procured consultant:

"I think the only issues of disagreement has been their slight tendency to shoehorn everything into a national [...] sized frame and not really give enough cognisance to the real variations that there are in remote and rural areas" (local authority officer)

When working with consultants for the delivery of LHEES, there needs to be an acknowledgement of the geographical and urban/ rural specificities at play in Scotland. In all but one of the pilots, the bulk of the analysis was completed by consultants who worked remotely. Most of the interviewees raised this as an issue, suggesting that they would have **preferred consultants to spend more time on-site** or in the local authority area to gain a better understanding of the local context:

"Respondent 1: We did ask specifically ask them to visit the area because without visiting that area that we're talking about there's no way you can get a feel especially if you're from the Central Belt you know this is a really, rural spread out area and it needed a visit. They did say they would come and visit and then they didn't.

Interviewer: They never visited at all?

Respondent 1: No.

Respondent 2: They've not been onsite.

Respondent 1: It's all done on desktop and that is why I think the results... they're not as good as they could have been." (local authority officers)

There were several local authorities that reported a similar situation. They noted that they understood that money had been set aside for consultants to visit the local authority areas, and they were frustrated that these visits had not materialised. However, consultants reported that there had been no budget allocated for local site surveys in their contractual agreements. Local authority participants said that site visits were particularly important because of the **distinctly local aspect of the LHEES**:

"In that report...they do mention air source heat pumps...and I just kind of looked at it and shook my head, had they visited then it would be different." (local authority officer)

This need to incorporate local knowledge into the LHEES development process was also acknowledged by an external consultant:

"There needs to be sufficient resource in the councils to drive that external support because there's a whole bunch of stuff that with the best will in the world an external support just doesn't know like you're intending to close that school with that great heat load in a year or we've just renewed all of the kitchens in those houses so we ain't ripping up the wall again" (external consultant)

This aspect of local engagement was also identified as being critical to ensure that specifically local aspects are taken into consideration and that work already done is not repeated:

“Some of the findings which were based on good science and statistics... when we got the result it was no surprise to us because in a lot of ways local knowledge told us that or what was suggested we’d already done.” (local authority officer)

Despite these challenges, some of the local authorities reported that it could be positive to have an external consultant working on the LHEES, and being able to offer new points of view. Working in partnership with organisations across Scotland, for example Home Energy Scotland (HES) and Resource Efficient Scotland (delivered by Zero Waste Scotland) was particularly seen as a bonus, with several interviewees reporting that they felt that had a better grasp on the services available to support businesses with energy efficient retrofitting, in particular. Working with Zero Waste Scotland via the Resource Efficient Scotland programme is discussed more in Section 3.4.2.

3.4 Stakeholder engagement

3.4.1 Few pilots engaged stakeholders outside the council

Throughout the LHEES pilots, Scottish Government representatives engaged with national-level stakeholders. These included District Network Operators and network owners, the liquid fuel supply market (who are involved in the delivery of fuel to rural, off-gas areas), and industry and trade bodies. In addition, local authority officers specified **a number of different groups that would be critical to engage with locally** for the development and implementation of the LHEES. Engagement with the general public was seen as beneficial for getting buy-in and raising awareness of forthcoming activities in the area.

Communicating with public bodies and utility companies was identified as helpful for being able to gather additional robust data, and information about any forthcoming plans that may affect the LHEES. Where local authorities had sought to engage these groups they noted challenges and delays as a result of General Data Protection Regulations (GDPR). Scottish Government might support the future roll out of LHEES by **supporting in the provision of information and mechanisms for the sharing of data** between these organisations. Additional named stakeholders included: housing associations, community organisations and groups, local universities, and organisations like Citizens Advice Scotland, Home Energy Scotland and Resource Efficient Scotland.

However, with three exceptions, **little or no external community engagement** was carried out during the pilots. Where engagement did happen, this was in the form of drop-in events, having stands at community events, or sending surveys seeking the views of community members. Several reasons were given for this lack of community engagement:

- Neither local authorities nor consultants recognised this task as being within their scope of works for the pilot, and there was a **lack of resource and expertise** to undertake this work. For example, one local authority officer identified that they would be ‘working quite closely with planning’ for this element of LHEES in future because they have expertise in engaging with the public.
- Local authority officers **did not feel they had enough clarity** about what it was they were asking people to engage with. Participants were uncomfortable taking information out to consultation without having a clear concept in place:

“We haven’t engaged specifically with communities and...what we wanted to do was make sure that we had a...strategic framework in place that would then give us something to go to communities and say...’this is what our thinking is’, now we

want you to...give us ideas of how we can deliver on this in a way that's meaningful for communities." (local authority officer)

"We don't want to do that until we have something...real to say because you don't want to say to communities 'oh look we did this analysis but we're not actually using any of it in your area', it can confuse people so it just hasn't really happened." (local authority officer)

- Connected to the lack of clarity, officers also **did not want to raise expectations** by going out to communities to discuss potential heat and energy efficiency interventions that may not go ahead due to lack of funding or certainty over the future of LHEES:

"We go along there saying we may or may not be having to do this in [your area] and we may or may not be investing in here so we may or may not be doing and it... getting people's hopes up or businesses hopes up...then very likely that we can't deliver that. It's not a great PR exercise for us." (local authority officer)

"We haven't got enough of a report that would I think would stand that sort of scrutiny at the moment so we've never really followed up with local community interests" (local authority officer)

3.4.2 Engaging business stakeholders is a particular challenge

Business buy-in was seen as crucial to the success of LHEES but this also presented a significant challenge. Again, one of the reasons for this was confusion over whether this was a role for consultants or local authorities, coupled with the suggestion that neither had the resource available for this task:

"And I think what's disappointing [is] we haven't had time to do what we'd hoped to do at the end of it was actually go round and knock on the doors of these businesses and just talk to them" (local authority officer)

"I tried...with economic development colleagues who have got...closer links to business but again it just came down to resourcing. I couldn't really invest the time that was needed to follow up with different business groups...and in the end, no, we just left it." (local authority officer)

Where business engagement was attempted, **there was typically low or zero turn-out**. This was the case both for face to face attempts to engage, and online surveys:

"We initially hosted an event with Zero Waste Scotland...for businesses to come along and we could talk to them about what kind of support and funding could be offered for them. There was a bit of advertising about it, there was a bit in the paper, put posters up in community halls, nobody turned up." (local authority officer)

Respondent: "We weren't able to get any uptake on the completion of that survey with the SMEs of [the area] so there's obviously a bit of a gap there.

Interviewer: And was that because you couldn't access them or because, you could access them and they didn't reply?

Respondent: They didn't reply." (local authority officer)

Broadly, whilst local authorities felt that they had experience in engaging with the general public and could therefore do this again, they felt **much less confident in engaging with**

businesses. Participants commented that businesses often lease premises in shared buildings, and are therefore not interested in or able to make heat and energy efficiency decisions. Because of this it can be very difficult to engage building owners. A change of contract was identified as a time to intervene, but this can be problematic because often contracts are very long. However, local authority officers said that **engagement with Resource Efficient Scotland’s advice and support service was helpful for developing knowledge of the support that is available to businesses**, so that this can be provided once businesses do engage.

“What has been useful is, it’s helped making links with Zero Waste Scotland and we’ve got a relationship now where we’re doing joint promotions and that’s a plus.” (local authority officer)

“I think the help and support of [Zero Waste Scotland] – they’ve got the best people there to support us in doing that as well.” (local authority officer)

“I think it’s been useful from the point of view of...learning a bit more about the loan schemes and what’s actually available. Now if a business does come to us we have a much better knowledge of the funding and support network that is available for them.” (local authority officer)

3.5 Local authority structures and political will

3.5.1 Local authorities want to show leadership

LHEES was viewed as a mechanism to demonstrate leadership; this extended to all building sectors:

“I see LHEES as being a tool...to give our leadership role that we’re supposed to have in public sector to put something in place so non-domestic buildings get a handle on what they need to do, domestic buildings that aren’t owned by public organisations or housing associations get a handle on where they want to be.” (local authority officer)

One officer highlighted that there was some apprehension to proceed because ‘nobody wants to be the first’, but that there was ‘a collective’ forming in order to demonstrate this leadership. Participants also highlighted that local authorities were in an ideal position to take the lead on something like an LHEES because they have expertise across numerous sectors covering energy, housing, and planning, along with existing relationships with stakeholders.

3.5.2 Engagement with senior management and councillors

Senior management and councillors were generally perceived to be supportive of the concept of an LHEES. Some of the local authority officers suggested that they were likely to receive support because of the way that senior members had responded to previous schemes:

“To date anything that we’ve dealt with whether it’s our sustainable energy action plan or our energy team...work that we do, we have no problems cross-party politically we always had support on that and climate change.” (local authority officer)

“Certainly [in Scotland] we’ve got councils that are well switched on to the fuel poverty issue and to affordability of energy...the whole climate emergency agenda that’s running just now” (local authority officer)

Several participants stated that they had a **supportive councillor who acted as a champion** for sustainability and low carbon issues which was beneficial for driving the agenda within the council. This tied in to the suggestion that the issues being addressed through LHEES (particularly fuel poverty) were something that **attracted support from councillors of all parties** so it was unlikely to be something that would cause political tension. Some councils had a form of mechanism in place for reporting back the outcomes of the pilot to senior management and elected members. However, the approaches to this and responses received were varied. In some cases, local authority officers had shared reports with, or presented information about the pilots to, senior members. In these cases, the response from councillors was generally positive:

“We have presented the LHEES, not the actual finished LHEES, but what LHEES could be...and it’s been positively received within the [Council]” (local authority officer)

“Anything you get funding from councils they’re very supportive...elected members are always supportive to any external funding that could help their constituents in any way. Our director of finance is also aware of it as well...he’s fully aware of the project and other projects that we’re working on and how they can potentially kind of work in conjunction with one another” (local authority officer)

Other local authority officers had more limited engagement with senior management and councillors, for example, notifying them via email of the pilot activities, but receiving a limited response and level of interest. In one example, the interviewees suggested that senior members were aware of the concept of the LHEES pilot in amongst other activities taking place under the Energy Efficient Scotland programme, but they did not differentiate between these. Where engagement had not yet taken place, local authority officers felt that senior members *would be* supportive in the future.

Despite the perceived positive responses, **the majority of councils had not engaged with elected members and senior management** in the course of the LHEES pilots. The reasons for this were:

- Some local authority officers felt they are still lacking in clarity around LHEES and what this would become. This meant that they were **not confident engaging with more senior colleagues as there would be questions that they would be unable to answer**:

“Internally this has not gone to chief officers and it’s not gone to elected members because the questions they will ask me is, is this a statutory duty? What is exactly required of us? When do we need to do it by and what are the penalties if we don’t comply?” (local authority officer)

- Some interviewees stated that they **did not expect councillors would be particularly interested in a pilot strategy** as it is not a priority for them. Instead, senior management and councillors were primarily interested in *actions* that were taking place in their ward. Because of this, it was felt that the pilot work was not well enough developed to take to councillors at this stage.

“I don’t really want to flag it up to her because there’s very little in it...in terms of...you want something substantial if you are going to go up to your councillor” (local authority officer)

“Well there’s two distinct groups; there is the politicians: they are a hundred percent not interested in this because it’s a strategy...they don’t care about that, they care about external wall insulation’s going in in poor quality housing...they want to see money coming in for programmes...The chief officers would be more interested because there’s obviously if it’s a statutory duty there’s considerations [of] the resourcing or cost...that’s where their interest would be” (local authority officer)

“It’s still at an early stage it’s difficult to engage because if you do lots of engagement and it doesn’t become something that gets taken up... it’s just difficult not knowing what LHEES could become and if it’s going to be statutory” (local authority officer)

- The majority of participants stated that senior management were unlikely to engage with LHEES at the moment as it is **not a statutory duty and therefore not a priority**. This was seconded by external consultants, who said that, in the course of their engagement activities, they had found it difficult to get senior management to see LHEES as a priority. Instead, authority officers suggested that the focus for senior management would be on delivering the council’s core statutory duties:

“It’s not a statutory duty...we’re at really challenging times ... about how do we make budgets meet and there’s a big hole that has to be filled. There won’t be a lot of jumping up and down to...invest money in this at this point in time. I know that there will, I think there’ll be, general support...but when they’re really working on a really tight budget this won’t get the clout that it really needs” (local authority officer)

“The council won’t support it. The post I’ve got disappears at the end of the month, or the sustainability post disappears at the end of the month.” (local authority officer)

3.6 Next steps

3.6.1 Developing an implementation plan is challenging

Under the first round of LHEES pilots, local authorities were tasked with developing their own implementation plan. A small number of interview participants detailed a number of tangible actions from the LHEES report that would be taken forward. In all of these cases, these were short term actions that were self-contained. For example:

“I’m going to probably take the short term actions from that which is to try and deliver some of these insulation measures for the high fuel poverty areas identified, and in terms of the medium term it’s the district heating connections, so I might take that forward in terms of looking at that to see if it’s a viable project” (local authority officer)

“We’ve kind of ... identified some areas for domestic insulation; one area in particular is going to get taken forward into our HEEPS programme, because we’ve identified a lot of properties there that could have external wall or cavity insulation.” (local authority officer)

However, participants also stated that activities like the identification of sites for additional wall insulation was not an unusual activity for the council, so these actions were 'everyday work' that did not represent the added value of LHEES, and would not be discussed with senior management. In addition, participants said that longer-term actions were 'a bit grey', because of a lack of certainty over the future of LHEES and available resources (discussed more in Section 3.7.2). Local authority officers identified several barriers to developing an implementation plan:

- There was **not sufficient detail in the LHEES reports** to take subsequent action:

"Some of the measures for example external wall insulation may be technically feasible but not practical...there's a proposal in there for retrofitting external wall cladding on non-domestic building...we don't know how we would achieve that. So there's a list of six actions...the first you apply to domestic sector, actions four and five are for the non-domestic sector...I think before we could recommend these actions we would need to get some indication of the costs and benefits of them and an estimate of potential uptake" (local authority officer)

- This task was demanding and time consuming and local authorities without a dedicated LHEES officer **struggled to find sufficient resource** to allocate to it.
- Local authority officers and external consultants generally felt that LHEES was **unlikely to become self-financing**; if this is to be an aim of the programme then, at the very least, participants said that funding will be required in the early stages. This would need to be coupled with legislation that requires action across all building sectors and support from the private sector. One participant highlighted that some energy initiatives could allow councils to generate income, for example, through savings on energy bills in properties that they own and manage; however, a consultant noted that local authorities' limited ownership of property would be problematic for accruing savings:

"The only way it can become self-financing is if the savings to the local authority are sufficient to fund that position. Now given that the local authorities don't actually own the council housing in the vast majority of cases...the only way they can save money is by reducing the bills in the buildings that they occupy and they pay for, it's really hard to see how that is going to be sufficient to fund...an LHEES officer?" (external consultant)

- For the LHEES pilots, a **lack of certainty over future funding** and the potential for changing political will and priorities made it very difficult to develop long term implementation plans. One external consultant highlighted that this lack of certainty could mean a loss of expertise for the delivery of LHEES:

Some of the Local Authorities have been recruiting in a specialist person to coordinate the work, and then after the pilot finishes, that person's going to move on and you'll lose all that expertise. So that whole issue of keeping people engaged and progressing until, if, the legislation comes in and it becomes a requirement and they have to pick it up again...". (external consultant)

One officer suggested that lack of certainty also meant that, whilst it was feasible to have a strategy document that covered a 20-year timeframe, a plan for implementing this should be on a shorter term. The second consultation of LHEES notes that costing and phasing of delivery programmes should consider the prioritisation of

programmes in time limited phases². This phased shorter term implementation plan was identified as a more feasible approach:

“So that’s again an issue with having the longevity of an LHEES of twenty years...If it’s a strategy like the energy strategy for Scotland or climate change plan those are visionary documents yes I could understand, but this is focused on investment at a local level, now that can’t be twenty years, absolutely not.” (local authority officer)

- There was a **lack of certainty over long-term commitment of residents** of buildings, particularly in the commercial sector, which makes investment a risk. Because of this, it was emphasised that any LHEES requirements must be supported by legislation across all building sectors, and coupled with clarity over how this legislation will be enforced:

“My biggest concern...about it becoming a statutory duty is around enforcement ... how are they going to enforce private landlords? How are they going to enforce the general public by 2030...? How are you going to make people spend money on things when they don’t have the money in the first place?” (local authority officer)

- **Political sensitivities about an area-based approach** were highlighted. The pilots typically focused on a specific area(s) so the actions identified are only for those areas. However, if an implementation plan is developed focusing only on interventions in certain places there was concern that there would be a negative response from other areas who may see this as unfair. This was particularly the case when an area chosen for pilot is a relatively affluent area, or one that has historically had a lot of attention.

Local authorities did not have many clear next steps based on the outcomes of the pilot. All of these challenges fed into concerns that LHEES would just be a report that got filed somewhere, but would not lead to any actions.

“It’s one of those things we can make it just you know a paper and then file it somewhere” (local authority officer)

The challenges of this limited implementation guidance from Scottish Government was also recognised by an external consultant, who noted that:

“I don’t feel there’s been anything definite from Scottish Government to say ‘this is what you must produce at the end of this...this is what your strategy looks like, this is how it’s going to be set out’. And if they even, if they just, produced a template of what they wanted to see, that actually would have helped because instead...every local authority is thinking slightly differently” (external consultant)

Instead, many of the participants were planning to synthesise learning and wait for further direction from Scottish Government. Without a clear steer from Scottish Government on the requirements for implementation, there is a risk that LHEES will become mothballed.

² Scottish Government. 2018. Energy Efficient Scotland: Analysis of second consultation on Local Heat & Energy Efficiency Strategies, and Regulation of District and Communal Heating. Why Research. Available at: <https://www.gov.scot/publications/scotlands-energy-efficiency-programme-analysis-second-consultation-local-heat-energy-efficiency-strategies-regulation-district-communal-heating/pages/2/>

Because of this, **any possible statutory duty needs to incorporate both the development and implementation of an LHEES**, and the resource to deliver this.

3.6.2 LHEES becoming a statutory duty

All of the local authority officers and external consultants interviewed supported LHEES becoming a statutory duty. This was seen as crucial for ensuring that local authorities prioritise this activity amongst their already constrained resource for delivering on existing statutory duties:

“Unless this is statutory and put in place, the local authority is not going to see it. It’ll be one of the things that keeps on, as we have to cut and cut and cut, it will, that will fall off the agenda.” (local authority officer)

“I think we’re looking to save...more than twenty percent of the budget and given how much of that is ring-fenced into education and social work anything like this will fall by the wayside I suspect, unless it’s absolutely mandatory.” (local authority officer)

“If we were tasked by the Scottish Government to say you must have an LHEES for [the Council], that would be a lot easier because...getting data from the private sector is a complete nightmare, being able to actually influence them through behaviour change programmes is resource intensive and we would always focus on our domestic stock and our own properties first.” (local authority officer)

“statutory things are really what ticks councils’ boxes in the main because the question then is what happens if we don’t do it” (local authority officer)

“I think that’s the only way that an LHEES will get acted on. I think if it’s not a statutory obligation with the financial pressures on councils it won’t get taken forward. We feel quite strongly that it should be a statutory obligation” (local authority officer)

“Interviewer: And what’s your opinion on the discussion about it becoming a statutory duty, is that something you would support?

Respondent: Yes...absolutely.” (local authority officer)

“I think it does need to be a statutory duty because otherwise nobody’s going to do it let’s be quite honest.” (external consultant)

“A statutory duty to develop and have an LHEES and to have a strategy around it is great. I think that it has made them think a little bit about what they’re going to do and it has given them really good visibility” (external consultant)

However, all local authority officers and external consultants also said that a statutory duty would fail if it did not come with additional resource, with one noting: “if it was a statutory duty with no additional resource then we would do something, but it might not be fit for purpose” (local authority officer). In all cases, participants said that the development of a statutory duty would need to be coupled with:

- **More detail and guidance on exactly what would be expected** from an LHEES. Some raised a concern that, at the moment, there is scope for an LHEES to be whatever you want, and so for those councils who were not sufficiently committed to the process, **LHEES could become a superficial tick-box exercise** rather than an

in-depth and useful strategy. One external consultant suggested that a new, standardised approach would be required, and another suggested that:

“It has but it has to be uniform across all local authority areas, you can’t have one that’s quite ambitious ...there is a real opportunity with an LHEES to sit down and say well let’s put that, let’s drive this forward, let’s go with this, let’s make this ambitious and so on.” (external consultant)

- **Guidance from Scottish Government to support chains of accountability** and where responsibilities for different elements of the LHEES sit in the local authority:

“Where does it sit is an issue as well...it has energy efficiency in it...it should sit with sustainable development under planning... if it’s mandatory then they need to have somebody a bit like the EPCs where does it sit so currently it’s like building control. It’s that kind of thing it’s to establish who will have accountability for that” (local authority officer)

- **Support from Scottish Government for engaging with senior management and councillors:**

“And I think it would be very useful for...Scottish Government to educate senior management within the council...because coming from us it’s very difficult. They don’t want to listen. Coming from Scottish Government, the senior management they look to get on board more I think you know and to highlight the benefits” (local authority officer)

“No, so that leads me to believe even elected members or chief officers aren’t aware about this from a top down approach, rather than me feeding it up to them. They’re obviously not hearing it from SOLACE or COSLA. That’s the one that interests me most, because COSLA have a position on LHEES. ... so it leads me to believe that nothing’s coming down from Scottish Government to them either” (local authority officer)

- **Sufficient resource to deliver an in-depth and useful strategy.** Participants recognised that the embedded and long-term nature of LHEES made it distinct from traditional capital projects that ‘ended at delivery’. Because of this, outsourcing was seen as less suitable, and it was suggested that **a significant proportion of this resource should be retained within the local authority:**

“When councils do outsourcing you use consultants; we tend to do that for a specific project so when it’s been delivered that’s it done. This is a completely different thing. This is about something that’s about engaging, it’s about embedding, it’s about that long-term legacy. So, to outsource that again and again and again, doesn’t take us any further forward at all” (local authority officer)

“Ideally I would like to see it in-house. That would – but that’s my own personal view about doing it. I could see partnership working between like [a neighbouring local authority] and that because there are joint initiatives that we could build upon” (local authority officer)

This additional resource could work in conjunction with external resource, for example, with consultants being seconded into a local authority (external consultant), and being able to offer suggestions that are independent of local authority priorities (external consultant). However, external consultants also acknowledged the importance of having in-house expertise:

“it is resource for people to actually to support the implementation of that strategy whether that’s additional funding for roles within local authorities...and improvements on data...because you could at a local authority level get more data accuracy particularly within the [Small and Medium Enterprises]” (external consultant)

This was estimated by interviewees to be **one or two additional full time local authority officers**, with additional support from colleagues across the council (with their roles recognised through the previously discussed chains of accountability).

“You need at least two people working on it fulltime at least...just doing LHEES, and they would then co-ordinate things like the housing side of it and the non-domestic buildings...” (local authority officer)

“If this is going to be a statutory ask for the local authority, then the local authority minimum one person, but she/he needs to be supported by all these various other departments” (local authority officer)

“To do an LHEES properly and to have a proper implementation plan that has projects that can be feasibly taken forward to provide a good return on investment it has to be at a city-wide scale, but that is going to be so costly to do, either to contract that externally, we’re not even in a position to do it in-house. I just write that off because it’s not going to happen unless we get a dedicated resource.” (local authority officer)

Local authority officers also made suggestions for the types of skills that those working on the future development and implementation of LHEES would require. The complexity and the scale of LHEES means that coordinators need to be **employed on a long-term basis**. Those involved need to have knowledge of different local authority departments, and hold a variety of skill sets. These include: knowledge of energy; understanding of buildings and Energy Performance Certificates; knowledge of large data sets and the analysis of these; an understanding of planning processes; an ability to influence council-level strategy; coordination and project management skills; experience in community engagement and liaison. This expertise may be collated from across council departments in the process of developing an LHEES, and will likely also require the involvement of an individual who has enough seniority and connectivity across the council to be able to request involvement from a range of colleagues.

4. Conclusion

This report has detailed the social and organisational implications of delivering Local Heat and Energy Efficiency Strategies (LHEES). The findings are derived from interviews with all 12 local authorities, the external consultants, and Scottish Government representatives involved in the delivery of the first round of LHEES pilots, which ran from September 2017 to March 2019.

All of the local authority officers interviewed stated that, by being part of the pilots, they gained a better understanding of what an LHEES involves. Developing this understanding included gaining additional skills or identifying which ones would be required in order to deliver LHEES. Suggested skills were: an ability to work with large datasets; being able to think in a strategic fashion; identifying and engaging with relevant colleagues across the council, and external stakeholders. Data analysis skills were particularly limited within the local authority (authorities either did not have them in-house, or in-house experts had little time or requirement to work on the pilots).

Some officers felt that the LHEES pilots did not leave them with a clear method for future LHEES delivery. However, the pilots did result in confirmation of existing knowledge and proposed activities, which was generally perceived positively. A small number of tangible actions to take forward were identified through the pilots. These were primarily areas of activity that the council would ordinarily engage in (for example, the addition of external wall insulation), which did not represent the added value of LHEES. A perceived disappointment of the pilots was that few new opportunities for action emerged. This contributed to a lack of implementation plans, which was also attributed to: limited detail in the LHEES reports; lack of resource; and a lack of certainty over long term future of scheme. Critically, the pilots identified significant gaps in the data available, with the non-domestic sector particularly lacking.

The majority of participants said that the pilot had encouraged cross-department working and co-operation, with the majority of pilots creating new working groups or informal collaborations. This cross-departmental working was seen as positive, but officers did not often achieve as much engagement as they felt was necessary for the LHEES. This was because colleagues regarded as a voluntary activity in addition to their core role, rather than a requirement. This meant that officers were reliant on the goodwill of colleagues.

Working with external consultants was identified as a particular challenge. There is a need for mutually agreed contracts and clear communication for this type of partnership working. Having a consultant centrally procured by Scottish Government was felt to be challenging in this case because of the unclear lines of reporting. In addition, participants felt that 'one size fits all' approaches were unsuitable for LHEES.

Stakeholder engagement was seen as essential for the development of LHEES. Identified stakeholders included: the general public; community organisations; utilities; local educational institutions; registered social landlords; and organisations like Citizens Advice Scotland, Home Energy Scotland and Resource Efficient Scotland. However, little to no community engagement was carried out within the pilots. This was because officers did not have enough clarity on future of LHEES; they did not want to raise expectations without certainty over the future direction; or they did not have enough resource for this work.

Engaging with businesses was seen as critical for the development of LHEES, but where this was attempted, there was little to no response from businesses. Working with Resource Efficient Scotland was seen as helpful for developing knowledge of the support that is available to businesses, should they engage in the future.

LHEES was viewed as mechanism for local authorities to show leadership, and senior management and councillors were generally perceived by officers to be supportive of something like LHEES. However, engagement with senior management had only taken place in a few of the pilots. Those that had not engaged felt that there was not enough clarity; they did not expect senior members to be interested in a pilot; and they stated that it was not a statutory duty and therefore unlikely to be a priority for senior management or elected members.

All of the local authority officers and external consultants interviewed supported LHEES becoming a statutory duty. In all cases, participants said that the development of a statutory duty would need to be coupled with additional resource, as listed under 'Key Lessons'.

Key Lessons

- Greater certainty in future resource levels at national and local levels would help to facilitate the development of a management model fit for the purpose of delivering the long-term aims of LHEES, and the wider Energy Efficient Scotland programme.
- Local and national government (and any partners involved in the development of LHEES) should ensure they have a shared understanding and framing of the scope and focus of the LHEES.
- Local authority officers would value greater clarity from Scottish Government on the future of LHEES and the trajectory to deliver this.
- To facilitate the most efficient use of resources, LHEES development should be integrated with existing local authority strategies and planning activities wherever possible.
- Much of the data required for LHEES is available, but some local authorities still face challenges with gaining access to some data, and gaps remain in the availability of data for non-domestic properties. This could be improved through implementing compulsory non-domestic energy consumption reporting requirements, and establishing agreements for the sharing of data.
- Geographical and urban/ rural specificities have a significant influence on the delivery of LHEES. If independent, non-local consultants are involved in the development of LHEES, it is important to find ways to ensure that local needs are adequately incorporated. For example, consultants could spend time in the local authority area in order to better understand the local context.
- Functions currently provided by Home Energy Scotland and Zero Waste Scotland's 'Resource Efficient Scotland' programme for small and medium-sized businesses should be maintained, as these offer important resources to allow councils to engage across different sectors of the built environment.
- Any possible statutory duty to needs to incorporate both the *development* and *implementation* of an LHEES, and the resource to deliver this.
- There is general support amongst local authority officers for LHEES becoming a statutory duty but this would need to be coupled with:
 - More detail and guidance on exactly what is expected
 - Support in establishing chains of accountability

- Support in engaging senior management and councillors
- Sufficient resource to deliver an in-depth and useful strategy. Some suggestions made by local authority officers included: the addition of one or two full time officers; support for development of necessary skills; additional consultancy support; resource should be in-house with the local authority.



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