
**UPDATE ON LOCAL HEAT & ENERGY EFFICIENCY STRATEGY (LHEES) &
ENERGY EFFICIENT SCOTLAND: AREA BASED SCHEME (EES:ABS)**

1.0 EXECUTIVE SUMMARY

- 1.1 Making all buildings in Argyll & Bute energy efficient and heat efficient is a core part of fulfilling national targets and achieving net zero by 2045. The Council has a key leadership role in leading by example when it comes to energy efficiency and low fossil fuel heating solutions but in our region only around 2% of overall greenhouse gas emissions come from Council owned or occupied buildings. It is therefore essential that the Council support all sectors in becoming more efficient and reduce reliance upon fossil fuels. All '*Commercial*' and '*Domestic Buildings*' (not public sector buildings) including private and social homes, private offices, factories, industry, retail and private leisure account for around 25% of the regional carbon footprint ¹.
- 1.2 This report provides a summary update to two important projects being undertaken by the Climate Change Board helping get domestic properties in our region to be more heat efficient and also setting out a wider heat and energy efficiency strategy.

2.0 RECOMMENDATIONS

- 2.1 That the Policy & Resources Committee:
 - 2.1.1 Consider the emerging requirements to develop a Local Heat and Energy Efficiency Strategy (LHEES); and
 - 2.1.2 Commend and promote the successful installation of over £3.4m worth of property upgrades in our region to make homes more heat efficient through working in partnership with Scottish Government's Energy Efficient Scotland: Area Based Scheme (EES:ABS) and other partners.

¹ [Local Authority GHG Map \(beis.gov.uk\)](https://beis.gov.uk)

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3.0 DETAIL**3.1 Local Heat and Energy Efficiency Strategies**

3.1.1 The Scottish Government's Heat in Buildings Strategy makes clear the need to ensure that, by 2045, our homes and buildings no longer contribute to climate change, while also tackling fuel poverty. This means that our schools, hospitals, libraries, homes and businesses will need to improve their energy efficiency and install zero emissions heating. This will be immensely challenging, requiring action from all of us, right across society and the economy. It is anticipated there will be significant Scottish Government investment to deliver it.

3.1.2 Local Heat and Energy Efficiency Strategies will be the principal mechanism for this to be planned and delivered locally. In January 2022, The Local Heat and Energy Efficiency Strategies (Scotland) Order 2022 placed a duty on local authorities to prepare and publish and thereafter update a Local Heat and Energy Efficiency Strategy and Delivery Plan.

3.1.3 The Order defines a Local Heat and Energy Efficiency Strategy (LHEES) as a long-term strategic framework for the improvement of the energy efficiency of buildings in the local authority's area, and the reduction of greenhouse gas emissions resulting from the heating of such buildings.

LHEES Strategies should:

- Set out how each segment of the building stock needs to change to meet national and local objectives, including achieving zero greenhouse gas emissions in the building sector, and the removal of poor energy efficiency as a driver of fuel poverty;
- Identify strategic heat decarbonisation zones, and set out the principal opportunities and measures for reducing buildings emissions within each zone; and

Prioritise areas for delivery, against national and local priorities which include:

- A. By 2045 our homes and buildings no longer contributing to climate change, as part of the wider just transition to net zero;
- B. By 2033 all homes have the equivalent of EPC C where technically and legally feasible and cost effective;
- C. By 2025 all private rented sector homes to reach a minimum standard equivalent to EPC C, where technically feasible and cost-effective, at change of tenancy, with a backstop of 2028 for all remaining existing properties;
- D. By 2030 the large majority of buildings achieve a good standard of energy efficiency;
- E. By 2030 emissions from buildings have to be 68% lower than 2020 levels, which requires zero emissions heating in the vast majority of off-gas Fossil fuel heated homes

Argyll and Bute Delivery & Progress

- 3.1.4 Scottish Government has provided dedicated funding of £75k per annum for 5 years to each Local Authority to assist deliver LHEES. In addition, Argyll and Bute Council agreed to allocate £50k from capital funding to further facilitate delivery of the LHEES.
- 3.1.5 Officers have engaged with Scottish Futures Trust, and several other Council's through HubNorth, to collectively identify an agreed and common way forward to meeting the LHEES delivery challenge. HubNorth has identified a common consultancy framework which will allow external support to be utilised by Councils to tackle what is a new and data intensive exercise.
- 3.1.6 The Council's Housing Service is in the process of recruiting an LHEES Officer who will take the lead in driving forward delivery of the LHEES with appointment likely to be made in Spring 2023. However it is important to note, that this is a multi-disciplinary exercise and will require input from a number of Council Services including Property Services, Housing, Planning, Community Planning, GIS as a minimum. It is intended to procure through hub north additional consultancy support and this can be funded from within the dedicated funding that has been identified.
- 3.1.7 Until the LHEES officer is in post, it will not be possible to identify a firm timeline for delivery on the LHEES, but it is anticipated it will be in the order of 12 months.

3.2 Scottish Governments' Energy Efficient Scotland: Area Based Scheme (EES:ABS)

- 3.2.1 Since the 1st July 2022 Argyll & Bute Council has spent over £1.2m insulating more than 160 privately owned and privately rented households through the Scottish Government's Energy Efficient

Scotland: Area Based Scheme (EES:ABS), an annual programme of grant funding to support insulation measures. The Energy Efficiency Team projects that the budget of £2.1m will be spent in full with a successful application recently being made for a further £300,000 to allow additional homes to be included in the programme.

3.2.2 The Council was also successful in applying for funding of £2.2m to work in partnership with Argyll Community Housing Association to insulate mixed-tenure properties in Tarbert, Bute and Cowal, with works having started in Cowal.

3.2.3 The Energy Efficiency Team continues to promote the Scheme throughout Argyll & Bute, with geography being no barrier to take-up, to ensure all eligible households are aware of the substantial grants available to assist in reducing harmful carbon emissions and in turn reducing energy bills.

Below are some photo examples of the completed work:-

**BEFORE ENERGY EFFICIENT WORKS @ LONGSDALE CRES, OBAN
(FRONT)**



**AFTER ENERGY EFFICIENT WORKS @ LONGSDALE CRES, OBAN
(FRONT)**



**BEFORE ENERGY EFFICIENT WORKS @ LONGSDALE CRES, OBAN
(REAR)**



**AFTER ENERGY EFFICIENT WORKS @ LONGSDALE CRES, OBAN
(REAR)**



4.0 Conclusions

- 4.1 It is a requirement for the Council to produce a LHEES and progress is being made towards this notably with the live recruitment of an LHEES Officer. Furthermore, progress is being made towards making domestic properties in Argyll & Bute more heat efficient through working with partners and implementing improvement schemes.

5. IMPLICATIONS

- 5.1 Policy – This paper content is entirely consistent with climate change policy and action at local, national and international level.
- 5.2 Financial – Scottish Government have committed annual funding of £75,000 to support appointment of an LHEES Officer and progression of this work. Various other financial commitments linked to heat efficiency and are ringfenced to climate change activity.
- 5.3 Legal – Meeting requirements of Climate Change Scotland Act.
- 5.4 HR – None
- 5.5 Fairer Scotland Duty
- 5.5.1 Equalities – Protected characteristics – None
- 5.5.2 Socio economic Duty – Creating warmer or more efficient homes that are cheaper to heat is a positive for all.
- 5.5.3 Islands – None
- 5.6 Climate change – Direct link to meeting net zero obligations for our region.
- 5.7 Risk – Not addressing impacts or causes of climate change can lead to increased cost or censure if targets are not met.
- 5.8 Customer Service – Creating warmer or more efficient homes that are cheaper to heat is a positive for all.

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