

REPORT TO: East Lothian Council

MEETING DATE: 29 October 2024

BY: Executive Director for Place

SUBJECT: Local Heat and Energy Efficiency Strategy and Delivery Plan

1 PURPOSE

- 1.1 To present the Local Heat and Energy Efficiency Strategy and Delivery Plan (LHEES) to Council for approval.

2 RECOMMENDATIONS

- 2.1 It is recommended that the Council:
- Approves the Local Heat and Energy Efficiency Strategy and Delivery Plan
 - Agrees that officers should continue to explore all opportunities to undertake feasibility studies where funding is available to assess the technical and financial viability of district heating and smaller-scale local heat network solutions.

3 BACKGROUND

- 3.1 Local Authorities, under The Local Heat and Energy Efficiency Strategies (Order) 2022, are required to prepare a Local Heat and Energy Efficiency Strategy (LHEES) with an accompanying 5-year Delivery Plan. These should set out a long-term plan for improving energy efficiency and decarbonising heat in all domestic and non-domestic buildings across East Lothian. LHEES is primarily driven by Scotland's statutory targets for fuel poverty and greenhouse gas emissions reduction:
- In 2040, as far as reasonably possible, no household in Scotland is in fuel poverty.
 - Net zero emissions by 2045, 90% reduction by 2040 and 75% reduction by 2030.

- 3.2 The heat and energy efficiency environment in which this report has been prepared is rapidly moving in terms of policy, legislation and technology.
- 3.3 Members will recall that the LHEES draft was approved by Council on 31 October 2023.
- 3.4 Further stakeholder engagement and consultation on the draft was carried out between November 2023 and January 2024.
- 3.5 The LHEES Project Officer has engaged significantly with internal and external stakeholders. Internal engagement has been focused via the Council's Cross-Party Climate Change and Sustainability Forum and the membership of the Energy Transformation Board. The following external stakeholder groups have been consulted:
- Delivery partners – Scottish Government, Energy Saving Trust, Zero Waste Scotland, Home Energy Scotland
 - Community groups – a wide range of groups across all communities via the East Lothian Climate Action Network (ELCAN)
 - Utilities
 - Waste heat providers
 - Public sector estates
 - Registered social landlords
 - Landowners
 - Energy suppliers
 - Technology providers
 - Historic buildings
 - Cross-boundary local authorities
 - Non-domestic anchor loads
 - Investors/finance
- 3.6 The draft report was reviewed by consultants, ARUP on behalf of the Scottish Government. This review identified elements of the draft report that did not fully comply with the Scottish Government's guidelines. This presented a risk that the Council might not receive grant funding for future phases of development.
- 3.7 Further analysis work was carried out, supported by Zero Waste Scotland and consultancy Buro Happold, to address the issues raised. The revised strategy has been reviewed by the Heat in Buildings Delivery Division of the Scottish Government.
- 3.8 The changes included in the final version of the LHEES include a greater use of maps to help readers understand the spatial distribution of areas described in the text, revisions on the data used to plot sites with high heat demands, and a greater emphasis on the range of net zero and low carbon technologies that may be considered.
- 3.9 East Lothian Council has continued to engage with regional partners and a study is underway, funded by the City Region Deal, to support the development of a Regional Energy Masterplan.

3.10 East Lothian Council was accepted on to the Scottish Government's District Heating Mentoring Programme for 2023/24 that involved receiving support from Danish district heat networks operators.

3.11 The LHEES presented today is focused around achieving five outcomes:

- East Lothian's communities and property decision makers are engaged and empowered to deliver net zero heating targets;
- Every property owner will be supported to make a decision on their Net Zero heating solution;
- East Lothian's homes and buildings are as energy efficient as possible;
- Heat solutions are delivered to tackle fuel poverty and meet 2045 net zero target;
- Investment and grant funding is secured to deliver net zero projects;
- A significant proportion of the benefits of Net Zero investment remain within the East Lothian economy.

See Appendix 1 for the full report - East Lothian Council's Local Heat & Energy Efficiency Strategy, available in the Members' Library (Ref: 130/24, October 2024 Bulletin: [Agendas, reports and minutes | East Lothian Council](#)), and the Delivery Plan (attached as Appendix 2 to this report).

3.12 LHEES will be a strategic key document for East Lothian Council. It will impact on all three overarching objectives in the East Lothian Council Plan (2022-2027): recovering with future sustainability; reducing fuel poverty; and, most significantly, delivering the actions required to make East Lothian reach its net zero targets.

4 POLICY IMPLICATIONS

4.1 It is anticipated that the LHEES will provide a strategic context with implications on the following East Lothian Council strategies and policies:

- East Lothian Council Plan (2022-2027)
- Climate Change Strategy (2020-2025)
- Local Housing Strategy (2024-2028)
- East Lothian Poverty Plan (2024-2028)
- [In preparation] Local Development Plan 2

5 INTEGRATED IMPACT ASSESSMENT

5.1 The subject of this report has been through the Integrated Impact Assessment process and no negative impacts have been identified.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – Implementing the strategy will be financially challenging without significant funding from the Scottish Government. The delivery of LHEES cannot have any cost implications for East Lothian Council. Further work is required to define more detailed actions and the role which the Council could have in these actions, but without Scottish Government funding the Council's actions could be limited. Any new related Council projects would be subject to a business case and further approval.
- 6.2 Personnel – East Lothian Council currently has one LHEES Project Officer working full-time to ensure delivery, with support from the Council's Sustainability & Climate Change Officer. The broad scope of LHEES means that it overlaps with the responsibilities of other teams in Housing, Infrastructure, Communities, Economic Development and Transformation.
- 6.3 Other – none

7 BACKGROUND PAPERS

- 7.1 Appendix A, available in the Members' Library (Ref: 130/24, October 2024 Bulletin: [Agendas, reports and minutes | East Lothian Council](#)).
- 7.2 Report to Council on 31 October 2023: Draft Local Heat and Energy Efficiency Strategy for Consultation: [Agendas, reports and minutes | East Lothian Council](#)

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DATE	14 October 2024

East Lothian Heat and Energy Efficiency Delivery Plan - 2024-2028

Ref	Intervention	Outcome	Target dates	Lead Service	Indicator	Baseline	RAG Tracker	Notes
Outcome 1 - Property owners are engaged with the need to reduce carbon emissions and empowered to make decisions on energy efficiency and heating solutions								
Key Priority Area 1: Raising Awareness								
1	Increase awareness among home and business owners of the urgent need to plan for changes to how their property is heated	Campaigns to raise awareness	ongoing	Scot Gov / Community	Change in survey responses	Determined by community surveys		
2	Increase awareness among home and business owners of available funding resources and support for installing energy efficiency improvements	Funding secured for retrofit		Community / HES / BES	HES enquiries, Grants awarded - quantity and value	2023 statistics		
Key Priority Area 2: Building Community Leadership								
3	Identify action groups and volunteers in each community to take a local leadership role	Key groups identified	end 2024	Community	No. of groups / volunteers committed	Existing ELCAN network		
4	Establish data management and sharing procedures to facilitate data collection and community-based activities	Agreement process in place	end 2024	Community/ LHEES	Data agreements in place	New initiative		
5	Agree action plans for each community to support energy efficiency drive and where appropriate, preparation for heat networks	First by June 2024	ongoing	Community	No. of plans in agreed	New initiative		
6	Undertake a programme of resident surveys and thermal imaging work to raise awareness and improve data on energy use and heating	Increasing accurate data coverage	ongoing	Community	Survey responses Properties imaged	New initiative		
Outcome 2: East Lothian's homes and buildings are as energy efficient as possible								
Key Priority Area 1: Conservation Areas								
7	Agree advice on energy efficiency measures that can be provided to all owners of properties in Conservation Areas	Website updated	end 2024	Planning / LHEES		New initiative		
8	Deliver free pre-application advice for Conservation Area properties with proposals for renewables and/or energy efficiency measures to encourage early action	Increase in adaptations in Cons. Areas	ongoing	Planning / Community	No. of enquiries received	New initiative		
Key Priority Area 2: Solar PV Installations								
9	Track number of properties with solar PV and batteries, prioritising those suitable for communal and individual heat solutions	10000 PV, 500 Batteries	2028	LHEES / Community	MCS registrations	SPV 5116 at end 2023, 915 new PV in 2023, 14 new batteries (no accurate record of earlier battery installations)		Majority linked with new build, not retrofit
Key Priority Area 3: Owner-occupiers								
10	Ensure Scot Gov EES:ABS funding for vulnerable households is targeted effectively and aligns with any heat network expansion timeline	Full budget spent annually	ongoing	Housing	Annual plan to spend all funds available	£1.1m in 2022/23 and 2023/24		£1.1m again in 24/25 though late decision - 15 Solar PV & battery properties, 12 properties for EWI and a CWI project in Wallyford

Ref	Intervention	Outcome	Target dates	Lead Service	Indicator	Baseline	RAG Tracker	Notes
11	Working with community action teams, deliver community driven programme promoting improved insulation, building on survey work and highlighting potential savings	To be decided		Community / HES	HES enquiries	509 enquiries in Q4 2023		
Key Priority Area 4: Council Homes								
12	Continue to deliver a rolling programme of fabric upgrades to improve energy efficiency	Targets to be determined - see below	ongoing	Housing	EPC and condition reports			
13	Monitor the outcome of the Scottish Government consultation on Net Zero Standard and the implication for fabric improvement priorities		end 2024	Housing	To be confirmed			
14	Promote Solar PV and battery options for properties that may be suitable for communal and individual heat solutions		ongoing	Housing				
Key Priority Area 5: Private Rented and Short Term Lets								
15	Agree procedure and responsibility for enforcing new legislation on minimum EPC standards		End 2024	LHEES / Licensing / Housing	Home Analytics and Private Landlord Register	772 without EPC and 2179 rated below EPC C		
16	Proactively target owners of poor performing with warnings and energy efficiency advice ahead of EPC changes	To be set in late 2024 based on Scot Gov advice		EST / LHEES / Licensing / Housing	EPC quarterly updates and Private Landlord Register	As above		
Key Priority Area 6: Social Rented								
17	Engage all Housing Associations regarding interest in potential heat network connection opportunities		decided following feasibility	LHEES / Housing		ELHA and Homes for Life engaged		
18	Explore options for socially rented properties that may be suitable for communal heat network/pump connection	To be decided		LHEES	Number of properties connecting	New initiative - 125 with electric heating		
Key Priority Area 7: Council-owned Non-domestic								
19	Identify assets that could be served by a heat network, following the Asset Review	Property list	End 2024	LHEES / Assets	Number of properties	77 on-gas sites prior to the review		
20	Prioritise energy efficiency investment for these properties with a pipeline of possible projects to take advantage of funding opportunities		ongoing	Assets	HNR tracker / Annual gas use	Initial list produced in 2023		
21	Prepare net zero plans for Council assets currently using LPG or oil for heating		mid 2025	Assets	Number remaining to convert	7 properties outstanding		
22	Extend the preparation of Council assets to those that are leased to other businesses			LHEES / Estates	Number requiring action	Unknown - still being explored		
Key Priority Area 8: Other Non-domestic								
23	Encourage all businesses to explore and prioritise energy efficiency measures	Improvements in EPCs	Ongoing	Econ Dev / Community / BES	Businesses engages with BES	Projects already completed		
Outcome 3 - Heat solutions are delivered to tackle fuel poverty and meet 2045 net zero target								

Ref	Intervention	Outcome	Target dates	Lead Service	Indicator	Baseline	RAG Tracker	Notes
Key Priority Area 1: Heat Network Opportunities								
24	Work with Midlothian, Edinburgh, West Lothian and Fife Councils on a regional heat masterplan, exploring the potential demand for heat and heat network connections across the region	Phase 1 completed	Mar-25	LHEES	Report and GIS visualisation	LHEES reports		
25	Subject to securing funding, undertake strategic feasibility work on a range of local heat solutions	Report completed	mid 2025	LHEES	Report completed	New Initiative		
26	Maintain contact with all relevant external partners and stakeholders related to heat network opportunities while feasibility studies are being carried out	regular communications	ongoing	LHEES	List of engaged stakeholders	List from LHEES report		
27	Determine any phases of heat network development based on the outcomes of feasibility studies	Early phase options agreed	TBC	LHEES / Community	Number of phases under consideration	New Initiative		
Key Priority Area 2: Communal and Individual Heat Solutions								
28	Identify groups of properties that might be suitable for communal heat networks such as shared air source or ground source	Will be clarified by end 2024		LHEES / Community	No. of identified leads	Biomass solutions already operational		
29	Engage residents and refer community groups to Community Energy Scotland for targeted advice		ongoing	Community / CES	Successful applications for CES funding	Pencaitland, Innerwick and Tynninghame		
30	Refer decision makers for individual solutions to Home Energy Scotland for targeted advice		ongoing	Community	HES quarterly reports to ELC			
31	Track the levels of air source and ground source heat pump installations	Quarterly reporting	ongoing	LHEES	MCS registrations	ASH - 458 total at end 2023, 69 new in 2023 GSH - 53 total at end 2023, 1 new in 2023		79 ASH to end Aug 2024. Sunamp trial may boost retrofit figures in 2024/25
Outcome 4 - Investment and grant funding is secured to deliver net zero projects								
Key Priority Area 1: Feasibility Studies								
32	Secure funding to undertake a regional energy masterplan study	Funding secured from UKSPF	Jul-24	LHEES / Fife / Edin / Mid	Funding secured			Phase 1 approved, potential for second in 25/26
33	Secure funding from Heat Network Fund for a strategic level feasibility study on Heat Network proposals		May-24	LHEES	Funding secured			Application delayed due to 24/25 budget spent
Key Priority Area 2: Infrastructure Investment								
34	Develop business plans for each phase of heat network development	Plans produced and agreed	TBC	TBC	Plans prepared			
Key Priority Area 3: Grant funding from Scottish and UK Governments								
35	Secure annual funding from Scottish Government for ongoing energy efficiency programmes	April each year		Housing	Budget approved	£1.1m secured in 2023/24		£1.1 secured again for 24/25

Ref	Intervention	Outcome	Target dates	Lead Service	Indicator	Baseline	RAG Tracker	Notes
36	Develop a pipeline of ELC projects that can apply for ongoing rounds of capital funding via the Public Sector Heat Decarbonisation Fund	Revise list by end 2024		Assets	Number of applications made and grants secured	New initiative		No funding available in 2024/25
Key Priority Area 4: Community Funding								
37	Support an application to the National Lottery Climate Action Fund to support Community Heat Team expansion	Phase 1 Submission	TBC	Community / LHEES	Application success	New initiative		
38	Support efforts by the Association of East Lothian Community Councils to coordinate community benefits from energy companies that support the development of local heat solutions	Ongoing		Community / LHEES	Number of agreements and annual value	New charity established in Feb 2024		Early engagement underway with early promise
Outcome 5 - A significant proportion of the benefits of net zero investment remain within the East Lothian economy								
Key Priority Area 1: Community Wealth Building								
39	Subject to feasibility studies, investigate and decide on the most appropriate corporate structure to develop and manage East Lothian's heat networks and other energy infrastructure	Timing dependant on feasibility work	end 2025	LHEES / HNSU / Community	Delivery model agreed	Early investigations into Community Benefit Company / Cooperative		
Key Priority Area 2: Tackling Fuel Poverty								
40	Aim for a delivery model for heat networks with no connection costs to ensure all customers can benefit from lower costs and net zero solutions		end 2025	LHEES	Delivery model agreed			
41	Explore opportunities with credit unions to develop local loan solutions for retrofit work		end 2025	LHEES	Number of applications made	New initiative		
Key Priority Area 3: Developing the Local Supply Chain								
42	Increase the number of skilled installers in the region, to help towards closing the skills gap for both energy efficiency and any future heat network installation	To be decided following feasibility		Econ Dev	Number of companies involved	Output from Regional project on skills		

Lead Service Key:

HES - Home Energy Scotland; BES - Business Energy Scotland; CES - Community Energy Scotland; LHEES - LHEES Officer at East Lothian Council