



Briefing 21-17

March 2021

## **Scottish Government Consultation on Heat in buildings strategy – achieving net zero emissions**

To: All Chief Executives, Main Contacts and APSE Contacts in Scotland. For information only: England, Northern Ireland and Wales

### **Key Issues:**

Scottish Government is consulting on its draft Heat in Buildings Strategy, with responses requested by 30 April 2021.

The consultation can be completed by visiting:

<https://consult.gov.scot/energy-and-climate-change-directorate/heat-in-buildings-strategy/>

The consultation paper is available here:

<https://www.gov.scot/publications/heat-buildings-strategy-achieving-net-zero-emissions-scotlands-buildings-consultation/>

The consultation paper on the Scottish skills requirements for energy efficiency, zero emissions and low carbon heating systems, microgeneration and heat networks for homes released in conjunction with this, is available here:

<https://www.gov.scot/publications/consultation-scottish-skills-requirements-energy-efficiency-zero-emissions-low-carbon-heating-systems-microgeneration-heat-networks-homes/>

## 1.0 Introduction

Scottish Government are consulting on its draft Heat in Buildings Strategy which builds on the 2018 Energy Efficient Scotland Route Map and the 2015 Heat Policy Statement. This draft strategy outlines the steps Scottish Government will take to reduce greenhouse gas emissions from Scotland's homes, workplaces and community buildings, removing poor energy performance as a driver of fuel poverty (reaching zero emissions by 2045). Scottish Government commitments to climate change and fuel poverty have interim targets which in turn means changes needed to be seen in 2045 will need to be delivered in the 2020s. The draft strategy notes that in order to meet targets at the same time, there will be challenges particularly as many zero emissions heating systems are more costly to install and can be more expensive to run than high emissions equivalents. Scottish Government acknowledges "the inherent tensions between achievement of our fuel poverty and climate change ambitions, and are seeking your views through this consultation on ways in which these tensions can be resolved. We remain committed to a fabric first approach through all our programmes, supporting fuel poor households to make their homes more energy efficient and helping to ensure energy bills are more manageable in the short term". The needs of households remain at the heart of all schemes therefore the approach to introducing greater levels of support for fuel poor households to install zero emission heating systems will be careful and measured.

The draft strategy states that due to the scale and pace required for the transformation, continuing to learn as progress happens will be key. The draft strategy outlines actions and further proposals which Scottish Government intend to take as well as setting out actions which the UK Government will need to undertake in order to ensure a "smooth and just transition in Scotland".

The Strategy is structured as follows and poses questions focused on:

- **A 2045 Pathway for Scotland's Homes and Buildings** – the trajectory we must take to meet our net zero ambitions, including consultation on a new low and zero greenhouse gas emissions heat target

- **People** – taking the people of Scotland with us, and ensuring that we address fuel poverty and that the most vulnerable in society are protected as heating systems are replaced
- **Place** – ensuring our actions are tailored to Scotland’s communities, resources, built environment and designated places
- **Preparing our Energy Networks** – ensuring our energy networks are robust and fit for the future
- **Kick-starting Investment in the Transition** – how we will invest to stimulate the transition
- **Working Towards a Long-Term Market Framework** – taking action to ensure that the heat transition can be enabled by a stable, long term market framework
- **Developing a Regulatory Framework for Zero Emissions Buildings** – to underpin our delivery and provide certainty
- **The Economic Opportunity** – growing our supply chain to meet the rising demand, and ensuring that Scotland maximises the economic benefits of the transition
- **Working with the UK Government** – agreeing the steps the UK Government must take to ensure and enable delivery
- **Monitoring, Evaluation and Future Decision Making** – monitoring our progress

In order to stimulate discussion and encourage participants to submit formal responses to the consultation, a number of facilitated workshops are being undertaken, each will give an overview of the draft strategy before focusing on specific themes contained within the draft strategy itself. Attendance at these sessions will not be considered as an official formal response but information gathered will be used to help inform the analysis of the strategy. A specific working group for local authorities is being held on Thursday 18 March (between 10am and 12noon), with this session discussing the role of local authorities in creating Local Heat and Energy Efficiency Strategies (LHEES) and supporting public engagement. Other workshop themes will include:-

- People and Place – 8 March
- Communities - 9 March

- Investment, Market Framework and Delivery – 10 March
- Islands – 11 March
- Registered Social Landlords – 15 March
- Regulation – 16 March

Anyone wishing to register for a place at one or more of these workshops should email [heatinbuildings@gov.scot](mailto:heatinbuildings@gov.scot) highlighting which workshops you would like to attend. It's noted that due to the expected demand, could only one representative per organisation attend each workshop.

In conjunction with this draft strategy consultation, Scottish Government is also consulting on the proposals for energy efficiency, zero emissions and low carbon heating systems, microgeneration and heat network skills requirements (see also APSE Briefing 20-18).

## **2.0 Consultation Questions**

The consultation questions are outlined below:

### **Chapter 2 – A 2045 Pathway for Scotland's Homes and Buildings**

1. To what extent do you support the pathway set out for achieving the 2045 net zero target and the interim 2030 target?
2. What are your views on any risks of unintended consequences from this pathway?
3. What are your views on our assessment of strategic technologies in low and no regrets areas to 2030?
4. What function should a new heat target serve?
5. How do you think a new heat target should account for the need to deliver against our statutory fuel poverty targets?
6. Do you agree that a new heat target should apply to heat in buildings, distinct from industrial heat?
7. What form should a new heat target take and why?
8. At what level should the target(s) be set and for what date?

### **Chapter 3 – People**

9. What are the most significant actions we can take to ensure that Scotland's people and organisations are meaningfully engaged in the net zero heat transition?
10. What in your view are the opportunities, if any, available to key organisations, such as local government, businesses and trade associations and community or other non-government organisations, in supporting this public engagement activity?
11. In your opinion, could any of the proposals set out in this strategy unfairly discriminate against any person in Scotland who shares a protected characteristic? (age, disability, sex, gender reassignment, pregnancy and maternity, race, sexual orientation, religion or belief).
12. In your opinion could any of the proposals set out in this strategy have an adverse impact on children's rights and wellbeing?
13. What further action can we take to support people to make informed choices on the energy efficiency and heating options available to them?
14. What is your view on the current level of support and advice provided through existing services such as Home Energy Scotland and the Energy Efficient Business Support services?
15. Are there any further suggestions that you could provide on how the customer journey through these delivery services could be improved, in light of the ambitions set out in this strategy?
16. What are the most appropriate steps we can take within our powers to ensure sufficient consumer protection for supported energy efficiency or zero emissions heat installations?
17. Do you have views on whether we should adopt the use of UK government's TrustMark quality assurance framework?
18. In your view, is there any further action that we, or other key organisations (please specify), can take to protect those on lower incomes, and those in or at risk of falling into fuel poverty, from any negative cost impact as a result of the zero emissions buildings transition?

19. What are your views on our approach to phasing out funding for fossil fuel heating systems by 2024 where it is not detrimental to our fuel poverty objectives? Do you think that this could be achieved any sooner than 2024, and if so how?
20. What changes can be made to the Strategy to help maximise positive impacts and minimise negative ones on people experiencing fuel poverty and other vulnerable groups?

#### **Chapter 4 – Place**

21. What are your views on how we can support place-based deployment of zero emissions heat within our delivery programmes?
22. What is your view on how best to engage, and support, local communities in the planning and implementation of the heat transition in their area?
23. What role do you think community anchor organisations could play in supporting the heat transition?
24. In your opinion, what steps can we take to ensure that policies set out in this strategy do not unfairly impact Island and other remote communities?
25. What is your view on the timescales proposed for LHEES?
26. Do you agree with the approach to LHEES set out above? If not, please give reasons to support this.
27. What are your views on what Permitted Development Rights might help enable in the heat transition, in addition to those we have already included in the Permitted Development Rights review programme?

#### **Chapter 5 – Preparing our Energy Networks**

28. In your view, is there further action that can be taken to ensure that our electricity systems are ready for heat decarbonisation? If yes, please provide further information.
29. What are your views on the changes set out above for the electricity networks and are there further actions that could be taken by government, the regulator or industry that would make these more cost effective? Please provide evidence to support any suggestions.

30. In your view, what changes are needed to ensure that those least able to pay, including those in fuel poverty, are not unfairly impacted by the transition in our electricity and gas networks?
31. What are your views on the changes set out above for the gas networks?
32. Are there any further actions that could be taken by government or industry that you think would make the changes set out more cost effective? Please provide evidence to support suggestions.
33. What evidence can you provide on the potential for heat networks in Scotland that can help inform a new ambition for deployment within the final Heat in Buildings Strategy?
34. What evidence can you provide on the potential for heat derived from energy from waste to qualify as low or zero emissions?
35. What views do you have on mechanisms to support this and the use of wider sources of waste heat?
36. With the sustainable market for heat networks described above in place by the early 2020s, are there any further gaps that must be filled to support subsequent delivery of heat networks? If so, what are these and are there particular types of organisation that would be key in filling these?

## **Chapter 6 - Kick-starting investment in the Transition**

37. What are your views on the range of actions identified above to kick start the investment in the transition over the next 5 years?
38. Do you agree with the strategic funding priorities set out above?
39. In your view, should equal funding be allocated across these priorities or should certain priorities be weighted in terms of impact for Scotland?
40. What are the opportunities and challenges we face in maximising our £1.6 billion investment?
41. What are your views on the role of government funding over the next five years? For example, should it be focused towards significant increases in the volume of renewable heat and energy efficiency measures installed or more targeted at specific priority groups or technologies?

42. What are your views on how we can use our funding to leverage and encourage private sector and other forms of investment?
43. What are your views on the effectiveness of our existing delivery programmes in supporting different client journeys, including for those in or at risk of fuel poverty? (for example, landlords, home owners, non-domestic building owners – public and private, domestic and non-domestic tenants). In your opinion, are there any gaps in support?
44. Is there any action we can take to further tailor our support to meet the ambitions set out in this strategy, including in relation to fuel poverty? (Please include any evidence you may have to show what this might achieve.)

### **Chapter 7 – Working Towards A Long-Term Market Framework**

45. What are your views on the approach outlined above to take action towards a long-term market framework for net zero emissions in buildings?
46. What are your views on how we can achieve a fair and equitable cost distribution for the net zero transition, including ensuring we tackle fuel poverty?
47. What financing mechanisms are needed to encourage investment from householders, businesses and the private sector?

### **Chapter 8 – A Regulatory Framework**

48. What are your views on the regulatory actions set out in the proposed regulatory framework?
49. What are your views on the timeframes set out for the application of the regulation set out above?
50. What are your views on how our Delivery Programmes could support compliance with regulation?
51. What other mechanisms/support may be required to ensure that regulation is fair and equitable for all?

### **Chapter 9 – The Economic Opportunity**

52. What are your views on the plans set out to maximise the economic benefits to Scotland from the heat transition?

53. What role could technology-specific milestones (for example, by 2025) play in supporting supply chain development, and how should these milestone levels be developed?
54. Is there anything further that can be done to ensure that Scotland realises the economic opportunity available from the heat transition?
55. What more can be done to support the development of sustainable, high quality and local jobs in the heat and energy efficiency supply chain across the breadth of Scotland?
56. In your view, what are the opportunities and constraints presented by the role of the wider public sector in maximising the economic benefits to Scotland?
57. In recognition of the proposals set out in the forthcoming skills consultation what further action can be taken to support skills development in Scotland over the lifetime of this strategy?
58. Are you aware of any barriers to the reskilling of existing oil and gas heating engineers to equip them to install low and zero emission heating?
59. How can we support the development of more opportunities for young people?

## **Chapter 10 – Working with the UK Government**

60. To what extent do you agree that the issues identified must be addressed jointly by the UK and Scottish governments to unlock delivery in Scotland?
61. Are there any further areas where joint action is required, for example to ensure no one is left behind in the transition and fuel poverty is addressed?

## **Chapter 11 – Monitoring Evaluation and Future Decision Making**

62. Do you agree with our proposals for a monitoring and evaluation framework? If not, please state your reasons and suggested improvements.
63. What are your views on how lessons learned from heat and energy efficiency policy and programmes should be shared with the sector and key stakeholders to ensure that Scotland benefits from the public investment outlined above?
64. Finally, is there any other information you would like to provide us with that is relevant to the development of Scotland's Heat in Building Strategy?

### **Environmental Report Consultation Questions**

65. What are your views on the accuracy and scope of the information used to describe the SEA environmental baseline set out in the Environmental Report?
66. What are your views on the reasonable alternatives set out in the Environmental Report?
67. What are your views on the predicted environmental effects as set out in the Environmental Report?
68. What are your views on the findings of the SEA and the proposals for mitigation and monitoring of the environmental effects set out in the Environmental Report?

### **General Questions**

69. Is there any further information you wish to provide on the content set out in this draft Strategy?
70. Is there anything else you would like to highlight about the role, opportunities for, and constraints of, specific types of organisation (such as local government, other public sector, trade associations, individual business organisations, charities, environmental organisations, community groups) in contributing to the transition to zero emissions buildings, in particular over the next five to ten years?

## **3.0 APSE Comment**

APSE encourages our members to respond to the above consultation on the draft Heat in Buildings Strategy, to ensure that local authorities' opinions are taken into consideration with regards to the progress and implementation of the strategy. Local authorities continue to help support their communities with regards to energy efficiency and fuel poverty, with a number of case studies outlined within the draft strategy including our member authorities Glasgow City and Fife Councils. The deadline for responding is 30 April 2021, so please make sure to submit your responses by then.

APSE has continued to host online Renewables and Energy Efficiency and Building and Housing advisory groups throughout the global COVID-19 pandemic to allow officers, managers and councillors to stay up-to-date on important issues and developments in the

field, and to share knowledge and best practice. At our recent APSE Scotland Building and Housing online conference which took place on 11 February 2021, Lorna Archer of SGN and Shona Cargill of Fife Council presented on the H100 Fife Hydrogen Project, another of the case studies within the draft strategy. For more information on upcoming meeting dates, please [visit our website](#) or contact the APSE Scotland office at [glee@apse.org.uk](mailto:glee@apse.org.uk). In addition, our bespoke Local Authority Energy Collaboration (APSE Energy) is a partnership by our member authorities which looks to leverage and maximise the opportunities afforded to local authorities by working together on a national scale in the green energy agenda. For more information on our APSE Energy services please contact Phil Brennan, Head of APSE Energy on [PBrennan@apse.org.uk](mailto:PBrennan@apse.org.uk).

APSE Training also provide a [Carbon Literacy for local authorities](#) course, by attending this training you will:-

- Understand and be able to explain the basic science of climate change and how climate change will affect us both globally and locally.
- Evaluate the climate change objectives in local authorities and analyse the impacts.
- Construct your own strategies to take action on climate change.

For more information on this course or any others please contact [training@apse.org.uk](mailto:training@apse.org.uk).

**Reminder: APSE has set up a COVID-19 Information Hub to deal with frontline service issues as they arise, ensuring greater resilience and learning between each other during this difficult time. You can access this hub by [clicking here](#) and you can also join our WhatsApp Support Network by [clicking here](#).**

Louise Melville

Principal Advisor (Scotland)