

Low Carbon Infrastructure Transition Programme (LCITP): call for evidence

Briefing 21-23 March 2021

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

Key Issues:

The Low Carbon Infrastructure Transition Programme (LCITP) call for evidence is seeking input on change and improving Scottish Government-provided support mechanisms for the development and delivery of large-scale low and zero carbon energy infrastructure projects. They particularly wish to identify any barriers to the deployment of low and zero carbon infrastructure projects in Scotland.

The consultation closes on 30 April 2021 and can be completed by <u>clicking here</u>. The consultation paper is <u>here</u>. Questions about the consultation can be directed to <u>LCITP@gov.scot</u>. More information about the LCITP can be found at their <u>website</u>.

1.0 Introduction

The Low Carbon Infrastructure Transition Programme call for evidence was launched on 8 February 2021 by the Scottish Government. The responses to this call for evidence will be considered after the Scottish Parliament election in May 2021 for the replacement programme to the Low Carbon Infrastructure Transition Programme (LCITP) in September 2021. This ties into other work that the Scottish Government is doing around the draft Heat in Buildings Strategy (see APSE Briefing 21-17), and Scotland's long term climate change targets, such as ensuring that all buildings reach zero emissions by 2045. The 2045 target means that emissions in homes and non-domestic buildings will have to fall by 68% by 2030 compared to 2020 levels. This follows on from the Scottish Energy Strategy 2017 which set a target on Scotland's heat, transport and electricity consumption with 50% to be supplied from renewable sources.

The Low Carbon Infrastructure Transition Programme has been in place since 2015 and is a collaborative partnership led by Scottish Government working with Scottish Enterprise, Highlands and Islands Enterprise, Scottish Futures Trust and Resource Efficient Scotland with over £58 million in funding awarded to date. There are three stages of support available: catalyst support (feasibility studies, initial strategy), development support (business cases, investment options and propositions) and demonstrator support, which can only be applied for during open calls for funding.

This successor programme to the Low Carbon Infrastructure Transition Programme will be in place for five years, and it will play an important role in facilitating the delivery of the aims outlined above by supporting various projects and providing funding. This expertise and financial support has played an important part in supporting large scale low carbon energy demonstrator projects that may not have been developed without the LCITP - such as the Queen Quay District Heat Project led by West Dunbartonshire Council and the Stirling Renewable Heat Project led by Stirling Council.

The call for evidence is focusing on the following four points:

- The barriers to the delivery of low and zero emissions heat infrastructure projects
- The challenges and risks to delivering large scale low and zero emissions heat infrastructure projects
- The priority areas identified for the future heat delivery programme
- Sustainable support mechanisms to enable increased uptake

The responses to the consultation will allow the programme to be improved before it launches in September 2021.

2.0 Consultation questions

The consultation questions can be found below:

- 1. Please provide views on the impact of the Low Carbon Infrastructure Transition Programme support to date, in particular on the three stages of support provided?
- 2. How should the Low Carbon Infrastructure Transition Programme successor programme best reflect enhanced policy ambitions set out in the Climate Change Plan Update and the Heat in Buildings Strategy?
- 3. Do you agree with the barriers outlined in the consultation paper?
- 4. Are there additional barriers to low and zero carbon heat project delivery?

- 5. What role should the new programme play in addressing challenges and barriers?
- 6. Do you agree with the priorities outlined in the consultation paper?
- 7. Are there further specific gaps in project support that should be filled?
- 8. What types of pre-capital support would help to support low and zero carbon heat projects?
- 9. Do you support the widening of the scope of the Heat Network Partnership to cover other low and zero carbon heat projects?
- 10. How can the programme best support the delivery of Local Heat and Energy Efficiency Strategies (LHEES) from 2023?
- 11. How can the programme best support place based integrated partnership delivery?
- 12. What types of financial mechanism would help to support low and zero carbon heat projects?
- 13. Please provide evidence of how capital funding can be deployed to help attract private sector finance and accelerate the delivery of low carbon heat technologies.
- 14. Please provide your views on timings of competitive funding rounds.

Responses to the consultation can be submitted online by <u>clicking here</u>.

3.0 APSE Comment

APSE encourages our Scottish membership to respond to the Low Carbon Infrastructure Transition Programme call for evidence to ensure that the voices of local authorities are considered in the development of the successor programme. England has released its Public Sector Decarbonisation Fund and some of the emerging issues which have been noted by APSE members include:-

- Tight timescales for applications and finishing projects.
- A fund to bid into to pay for technical support for those who don't have internal expertise (for example around district heating) in order to help put bids together. This is a welcome initiative.
- Those Councils quickest off the mark being successful with large bids whilst smaller Councils are unable to get any funds.

- The need to have projects on the shelf ready to go with the associated difficulty in justifying work on projects that might never reach completion.
- The importance of tracking the condition of your assets and having data about them ready for when funding emerges.
- The lack of availability of contractors to carry out the work and supply chain for products.
- The high level of demand for the grants meaning some worthwhile bids fail.

Although, all of these points may not be relevant in relation to the LCITP, it may be worthwhile highlighting some of these issues within any responses.

APSE's membership has been at the forefront of the delivery of low and zero emissions heat infrastructure projects, some of which are shown in the case studies of the consultation report. Presentations on the Stirling Council project have been featured as a key part of recent APSE advisory groups and events. For more information on this project, presentation slides are available on the APSE website (Presentation 1 and Presentation 2). For more information and discussions around this and other local authority services please click here to keep up to date on our latest Scotland Renewables and Energy Efficiency advisory group meetings, and click here for our Scotland Building and Housing advisory group meetings. The knowledge sharing taking place in our meetings is invaluable to local authority officers and councillors, and they are free to attend for members.

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.

APSE Training also provide a <u>Carbon Literacy for local authorities</u> 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 <u>training@apse.org.uk</u>.

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 <u>clicking here</u> and you can also join our WhatsApp Support Network by <u>clicking here</u>.

Garry Lee Research & Coordination Officer Louise Melville Principal Advisor (Scotland)