

Energy Saving Trust's submission to the Net Zero, Energy and Transport Committee's inquiry into the role of local government and its cross-sectoral partners in financing and delivering a net-zero Scotland

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Introduction

Energy Saving Trust is an independent organisation dedicated to promoting energy efficiency, low carbon transport and sustainable energy use. We aim to address the climate emergency and deliver the wider benefits of clean energy as we transition to net zero.

We empower householders to make better choices, deliver transformative programmes for governments and support businesses with strategy, research and assurance – enabling everyone to play their part in building a sustainable future.

The Scottish Government provides funding to Energy Saving Trust to deliver an extensive range of home energy programmes. A number of these involve working closely with local authorities and we draw on this experience to answer some of the questions posed in this inquiry.

Council planning, decision-making and capacity in relation to net zero

1. How effective are councils at strategic planning, budgeting, and making procurement decisions that align with net zero goals? If there are barriers, what are they?

We would like to use the first part of our response to this question to emphasise that, if the Scottish Government is to meet its climate change targets it is vital that local authorities play a leading role. This is because local authorities have powers or influence over approximately a third of greenhouse gas emissions in their local areas. In order for them to play their full part in financing and delivering a net-zero-Scotland they need to be adequately resourced to ensure they have sufficient capacity and capability and, in this context, we think there is a need for the Scottish Government to increase local authority budgets to adequately reflect the significant additional work that local authorities will need to undertake in this area.

In the second part of our response, we draw on some specific procurement related insight from the programmes we deliver on behalf of the Scottish Government. We know from our experience of managing the Scottish Government's District Heating Loan Fund (DHLF) that the district heating sector is still developing, and projects are complex and bespoke and usually involve a wide range of stakeholders, many with relatively little experience of the technologies involved. Importantly this includes those commissioning and procuring projects and so having a common procurement framework that local authorities (and others) could use would help to ensure that good quality networks are procured to an acceptable standard. We also know from our experience of supporting local authorities to lever in funds (including those from the Energy Company Obligation (ECO)) that changes to external funding schemes (e.g. ECO) can have implications for local authority procurement (e.g. recent requirements around PAS2035 and proposed changes to the next phase

of ECO) – such changes can be complicated to navigate and this is an area where local authorities may need additional support.

2. What role can the local government planning system and local development plans do to help us reach net zero? Could the planning system do more?

One area where we think the planning system could do more is in relation to Permitted Development Rights (PDR). As noted in our response to the Scottish Government's 2019 consultation on their proposed programme for reviewing and extending Permitted Development Rights (PDR) in Scotland we welcome the Scottish Government's intention to consider the potential extension of Permitted Development Rights for heat networks and micro-renewable technologies.

In our response to that consultation, we emphasised the importance of bringing forward the reviews of development types that will help address the global climate emergency (e.g., Permitted Development Rights for heat networks and micro-renewable technologies) so these happen earlier in the programme. We understand that the phasing of the programme for reviewing Permitted Development Rights has been impacted by COVID 19 and urge the Scottish Government to undertake these reviews as soon as possible.

3. What innovation, skills and capacity are needed in the local government workforce when it comes to making net zero achievable? Does that capacity exist or are there gaps?

All local authorities will require, to a greater or lesser extent, additional skills, resource and support if they are to play their full role in financing and delivering a net zero Scotland. It is important to note that all local authorities will be starting from different points in relation to their existing expertise and experience.

Partnering to achieve net zero goals

4. How well do councils leverage in support and finance from the private sector for net zero delivery? Are City Region Deals being used effectively for this? What mechanisms or forums are there for sharing opportunities and good practice?

Councils in Scotland have been successful in leveraging in finance from the private sector for improving the energy performance of homes. The evidence we have in this area relates to the leverage of Energy Company Obligation (ECO) and other funds for improving the energy performance of homes and reducing fuel poverty.

The Scottish Government funds Energy Saving Trust to work with local authorities and housing associations to help them take a strategic approach to sustainable energy and ensure that the sector takes full advantage of the opportunities provided by ECO, the Renewable Heat Incentive (RHI), Scottish Government programmes and other funding initiatives. The requirements for the Energy Efficiency Standard for Social Housing (ESSH) continue to drive demand from social housing providers for advice on funding support to help progress towards targets in their housing stock. Our work in this area 'unlocks' substantial amounts of funding for local authorities. The funding levered in by local authorities and registered social landlords in 2019-20 was £2.25 million and in 2020-20 was £2.1 million.

This work is delivered on the ground via a dedicated staff member, working through the Home Energy Scotland network as appropriate.

5. How well do councils partner with the voluntary sector and social enterprises to work towards net zero goals? Are there instances of good practice you can point to or areas where opportunities are being missed?

Our experience is that local authorities are generally partnering well with the voluntary sector and social enterprises to work towards net zero goals. However, we do not believe there is sufficient expertise or resource in local authorities to allow their partnership work with the voluntary sector and social enterprises to be maximised.

6. How well do councils involve local communities in decision-making on major net zero projects and how do they support community-led initiatives?

No response

Role of the Scottish Government and its agencies

7. What is the Scottish Government doing to help the local government sector deliver on net zero goals? What, if anything, could it do more of to help the sector?

One of the things that the Scottish Government (and Transport Scotland) does to help the local government sector to deliver on net zero goals is to fund Energy Saving Trust to deliver a number of programmes on its behalf. These are summarised below. If you would like any additional information about these programmes or have any questions about them please do not hesitate to let us know.

As mentioned in our response to question 1 above, in terms of additional action that the Scottish Government could take to help the sector – Energy Saving Trust thinks that the Scottish Government should increase local authority budgets to adequately reflect the significant additional work that local authorities will need to undertake to deliver on net zero goals.

- **Provision of support for local authorities and housing associations in maximising ECO and other funds** (for further details please see our response to question 4 above).
- **The provision of data tools and services to plan policies and programmes.** With funding from Scottish Government Energy Saving Trust has developed highly sophisticated tools that allow Scottish Government and local authorities to analyse energy efficiency and plan energy improvement strategies at all levels - from an individual home up to national, Scottish level. These tools are available free of charge to local authorities and housing associations.

Energy Saving Trust maintains, the Home Energy Efficiency Database (HEED). This acts as a central repository for data on energy efficiency measures from a number of sources, for example historic energy company obligation work by fuel suppliers and government fuel poverty schemes. This data would otherwise remain fragmented in a number of incompatible systems and could not be accessed, analysed and used effectively.

In addition to the standard HEED reports, Energy Saving Trust also makes available HEED+ which brings in two other major sources of data to provide a more comprehensive view of the housing stock in a given area, these are data from EPCs and Home Energy Check data [link to mor info here?] as collected by Home Energy Scotland.

HEED and HEED+ reports allow government, local authorities and other sustainable energy stakeholders to access and analyse this collated energy efficiency data at any level down to individual census sub-area. The data has many uses, informing policy development, assisting analysis and reporting and supporting targeting of programmes such as EES: ABS and EES,

resulting in enhanced uptake and cost effectiveness. These tools are used by all local authorities.

Energy Saving Trust has also developed a sophisticated modelling tool, Home Analytics which provides address level data on the energy performance of Scotland's homes. It has been designed for use by Scottish local authorities and housing associations to support the development, targeting and delivery of policies and programmes. Home Analytics data contains elements from both HEED and HEED+ but is designed to provide a more comprehensive profile of the housing stock. It records what is known about dwellings but also provides data on every dwelling in Scotland by drawing on a wider variety of datasets such as data on housing types, age, census and mapping data to model information that is not directly available for a given address.

Finally, in this area, and in response to user need, Energy Saving Trust with funding from the Scottish Government, has also developed the Portfolio Energy Analysis Tool (PEAT): this uses data from Home Analytics. PEAT allows the modelling of energy improvement strategies for groups of buildings: for example, to assess the impact of installing cavity wall insulation across a whole street – in terms of the homes' bills, energy and carbon performance. PEAT can also present data on what measures are required to bring all the homes in an area to (for example) Energy Performance Certificate "C" Standard. This is a key tool to help local authorities and social housing providers plan energy efficiency programmes. PEAT is also used as part of the methodology the Scottish Government have developed for Local Heat and Energy Efficiency Strategies (LHEES), which local authorities will use to produce long term plans for heat decarbonisation and the deployment of energy efficiency measures.

- **Administration of Transport Scotland's Switched on Fleets Grant.** Energy Saving Trust administers the Switched on Streets Grant on behalf of Scottish Government. Under this programme Energy Saving Trust offers a pre-set amount of funding to each local authority in Scotland to help them meet the Scottish Governments 2025 public sector decarbonisation targets. This funding has historically been for both the purchase/lease of electric vehicles, and also to install charge points to ensure there is sufficient infrastructure to support the EVs. This year however, given the progress made by local authorities in decarbonising their fleet (as s of FY2019-20, on average Scottish local authorities had replaced 22% of their cars and 6% of their vans with battery electric vehicles), funding has been focussed solely on charging infrastructure.
- **Fleet decarbonisation reports for local authorities**

On behalf of Transport Scotland, we have also provided each local authority with an in-depth Fleet Decarbonisation report that sets out their progress to the 2025 goals, an analysis of remaining steps, areas to focus on etc. Eighty two per cent of respondents to a feedback survey about the reports stated they will use content from the report to support the switch to zero-emission vehicles or in the development of charging infrastructure.

8. What is the role of enterprise agencies or other public bodies as enablers of joint working on net zero goals by local government and its cross-sectoral partners?

No response

Local government work on net zero in particular areas

9. How are councils working with cross-sectoral partners to decarbonise heat in buildings and to ensure they have greater energy efficiency?

See response to question 7 above

10. How are councils working with cross-sectoral partners to decarbonise transport (including encouraging active travel) and to improve air quality?

See response to question 7 above.

11. How are councils working with cross-sectoral partners to promote recycling and a "circular economy"?

No response.

12. How are councils working with cross-sectoral partners to use the natural environment (its "green infrastructure") to achieve net zero targets?

No response.

