



ARUP

Zero Waste Scotland – LHEES Capacity Building Services

Summary of National Policy

Prepared by Arup for Zero Waste Scotland

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Summary of National Policy

Background information

- The purpose of this information pack is to provide a concise summary for the 15 national policies and strategies listed under paragraph 2.10 of the LHEES Guidance.
- This pack also contains a concise summary of the draft Energy Strategy and Just Transition Plan; the Heat Networks (Scotland) Act and funding and support available for heat networks.
- Lastly, this pack contains high-level strategy summaries for key national stakeholders that will likely play an important role in a local authority's LHEES.
- These summaries will act as a reference point to allow local authority officers to familiarise themselves quickly with each item and understand how they relate to LHEES and each of the six LHEES Considerations.
- It is anticipated that these summaries could be used to enhance and update the Policy and Strategy Template (LHEES Stage 1); construct sections of the LHEES Strategy document in terms of the national policy overview and; support engagement with wider stakeholders.



The Climate Change (Emissions Reduction Targets) (Scotland) Act 2019

Summary

In direct response to the international Paris Agreement, the Climate Change (Scotland) Act 2009 was amended by the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019, increasing the ambition of Scotland's emissions reduction targets to net zero by 2045.

Scotland's net zero emissions target date of 2045 is ahead of many other countries, including the UK whose target is to reach net zero by 2050.

Key Targets/Dates

- Scotland's emissions to net zero by 2045 relative to the 1990/95 baseline
- 56% reduction by 2020
- 75% reduction in emissions by 2030
- 90% reductions by 2040
- Stepped annual targets for every year, between these dates, to net zero 2045

Relevance to LHEES Considerations

Addresses all priorities and LHEES Considerations.

Actions and activities relevant to LHEES

Serves as the overall driver in Scotland for greenhouse gas emission reductions. All 32

local authority LHEES will support and contribute to meeting these emission reduction targets.

Regulations/Requirements

The 2019 Act embeds the principles of a Just Transition, which means reducing emissions in a way which tackles inequality and promotes fair work, at the heart of Scotland's approach to reaching net zero.

Funding Support

- £1.6 billion for heat decarbonisation
- £100 million green jobs fund, to provide investment to support low-carbon businesses
- £180 million emerging energy technologies fund to support the development of hydrogen and CCS

URL

<https://www.legislation.gov.uk/asp/2019/15/enacted>

Update to the Climate Change Plan 2018–2032

Summary

This update to Scotland's 2018-2032 Climate Change Plan sets out the Scottish Government's pathway to the new and ambitious targets set by the Climate Change Act 2019. It is a key strategic document on the green recovery from COVID-19.

Key Targets/Dates

Net-zero by 2045;

56% by 2020; 75% by 2030; 90% by 2040

Relevance to LHEES Considerations

Addresses all priorities and LHEES Considerations.

Actions and activities relevant to LHEES

A tightening of the existing emission reduction targets. Funding priority directly related to actions arising from LHEES Delivery.

By 2032:

- 35% of heat for domestic buildings will be supplied using low carbon technologies, where technically feasible, and all buildings (residential and non-domestic) will be insulated to the maximum appropriate level
- 70% of heat and cooling for non-domestic buildings will be supplied using low carbon heat technologies
- Improvements to the building fabric of Scotland's buildings will result in a 15% reduction in residential and 20% in non-residential heat demand

Regulations/Requirements

The Climate Change Plan update introduced the following policies relevant to LHEES:

- 2024 target of New Build Zero Emissions from heat standard which requires new buildings to have zero emissions heating systems.
- Ensure Local Heat and Energy Efficiency Strategies are developed through extensive engagement with local communities.
- Work with stakeholders to further understand and support the application and use of low and zero emissions heating within designated historic environment assets and hard to treat buildings.
- Design future delivery programmes to ensure significantly accelerated retrofit of buildings, with new programmes to be in place from 2025.
- Through National Planning Framework 4, ensuring that local development plans take account of where a Heat Network Zone has been identified.

Funding Support

£1.6 billion in zero emissions heating;

£95 million for heat decarbonisation and energy efficiency of the public estate;

£25 million to support zero carbon energy infrastructure and heat networks for residential and commercial premises in the Clyde Mission region;

URL

[Update to the Climate Change Plan 2018 - 2032: Securing a Green Recovery on a Path to Net Zero \(www.gov.scot\)](https://www.gov.scot)

The Fuel Poverty (Targets, Definition and Strategy) (Scotland) Act 2019

Summary

The Act sets out a new target relating to the eradication of fuel poverty, as well as providing a revised definition of fuel poverty. The main priority of this Act is for everyone to have a warm, safe home that they can afford and that meets their needs, in a place where they want to live. The Act introduced a new definition of fuel poverty which aligns fuel poverty more closely with relative income poverty.

Key Targets/Dates

The statutory targets set by the 2019 Act are that in 2040:

- No more than 5% of households should be in fuel poverty
- No more than 1% of households should be in extreme fuel poverty
- The median fuel poverty gap of households in fuel poverty is no more than £250 in 2015 prices before adding inflation

The 2040 targets must be achieved in each of the 32 local authorities.

Relevance to LHEES Considerations

Poor energy efficiency as a driver of fuel poverty.

Actions and activities relevant to LHEES

LHEES should be primarily driven by Scotland's statutory targets for greenhouse gas

emissions reduction and fuel poverty. The LHEES Strategy and Delivery Plan should therefore seek to implement actions and delivery that support fuel poverty alleviation. It should be noted though, that the LHEES Consideration only covers fuel poverty driven by poor energy efficiency.

The targets set out in the Act could form the basis of Delivery Plan monitoring i.e. the local authority sets targets in relation to fuel poverty levels – or at least targets that are able to support fuel poverty alleviation covered in its Local Housing Strategy and/or dedicated Fuel Poverty Strategies.

Regulations/Requirements

The 2019 Act sets the 2040 fuel poverty targets and interim targets in 2030 and 2035. The Act mandates Scottish Ministers prepare a comprehensive fuel poverty strategy which must set out the Scottish Ministers approach to tackling fuel poverty and how they intend to meet the targets.

Funding Support

N/A

URL:

[Fuel Poverty \(Targets, Definition and Strategy\) \(Scotland\) Act 2019 \(legislation.gov.uk\)](https://www.legislation.gov.uk/ukpga/2019/12)



Programme for Government

2022-2023 Summary

Summary

The Programme for Government (PfG) is published every year at the beginning of September and sets out the actions the Scottish Government will take in the coming year and beyond. The PfG 2022-2023 is “A Stronger and More Resilient Scotland” and the main theme is the 'cost crisis', which is the term the Scottish Government is using to refer to the 'Cost of Living Crisis'.

Key Targets/Dates

Targets include:

- Supporting households with the cost of living crisis through funding and investment
- Deliver changes to create a greener, fairer Scotland from EV charging to heat networks.

Relevance to LHEES Considerations

Addresses all priorities and LHEES Considerations.

Actions and activities relevant to LHEES

Supporting the cost of living crisis directly relates to the driver for LHEES in that they should be primarily driven by Scotland's statutory targets for greenhouse gas emissions reduction and fuel poverty.

The Programme states that the Scottish Government will invest a total of £161 million

across Warmer Homes Scotland, Area Based Schemes and Home Energy Scotland, cutting energy bills and climate emissions. The Scottish Government plans to launch a virtual Public Energy Agency to drive forward increased investment in energy efficiency and zero emission heating.

These funding and support commitments set out in the PfG should be used as a basis of developing Delivery Areas and Delivery Plan actions in the LHEES i.e. to help target support for investment and support for households.

Regulations/Requirements

Commits the Scottish Government to actions such as publishing the Onshore Wind Policy Statement and launching a virtual Public Energy Agency to drive forward investment in energy efficiency and zero emission heating.

Funding Support

The Scottish Government has allocated £3 billion in measures that will help to mitigate the impact of the cost crisis on households. New Winter Heating Payment which guarantees a £50 annual payment to around 400,000 low income households.

The £25 million Clyde Mission Heat Decarbonisation Fund will support zero emission heat projects and heating systems along the length of the River Clyde.

URL

<https://www.gov.scot/programme-for-government/>

The Heat in Buildings Strategy 2021

Summary

The Heat in Buildings Strategy sets out the Scottish Government's vision for the future of heat in buildings, and the actions they are taking in the buildings sector to deliver climate change commitments, maximise economic opportunities, and ensure a just transition, including helping address fuel poverty. The strategy sets the vision to 2045.

Key Targets/Dates

- Majority of buildings should achieve a good level of energy efficiency by 2030 and all homes should meet an EPC band C standard by 2033
- All social housing to meet EPC B, or be as energy efficient as practically possible by the end of 2032; all private rented sector properties to reach a minimum standard of EPC C by 2028 where technically feasible and cost effective
- A 68% reduction in emissions from heat in buildings by 2030 (relative to 2020 levels)

Relevance to LHEES Considerations

Addresses all priorities and LHEES Considerations.

Actions and activities relevant to LHEES

The HiB Strategy sets out the aspirations for LHEES, in particular to:

- Support local community and wider national infrastructure issues
- Act as an investment prospectus at national and local level, guiding delivery

programmes, and signalling potential areas of investment to market actors

- Support planning for the energy networks and over time will become an important evidence base for both the electricity Distribution Network Operators (DNOs) and Gas Distribution Network (GDN)
- Local public engagement, awareness raising and involvement in decision making
- Supporting area based regulation

The Strategy recognises the need to scale up installations of low and zero emission heating systems in homes to meet climate targets. The Strategy had a vision of implementing LHEES as a statutory document for local authorities with the hope of every local authority having Strategies and Delivery Plans by the end of 2023.

Regulations/Requirements

The HiB Strategy sets out the ambition for regulation in Scotland for heat decarbonisation and energy efficiency performance.

Funding Support

Scottish Government will invest £1.8 billion to support the targets and ambitions set out in the strategy.

URL

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



Energy Efficiency Standard for Social Housing (EESSH 1&2)

Summary

The Energy Efficiency Standard for Social Housing (EESSH) aims to improve the energy efficiency of social housing in Scotland. EESSH1 was introduced in March 2014 which set an initial target for all eligible social housing to be no lower than EPC C & D by December 2020. In June 2019, EESSH2 was confirmed which sets new targets up to 2032. EESSH1 & 2 aim to encourage landlords to improve the energy efficiency of social housing in Scotland.

Key Targets/Dates

- EESSH1 – No eligible social property will be lower than an EPC C or D by end of Dec 2020
- EESSH2 - Proposed a target to maximise the number of homes in the social rented sector achieving EPC B by 2032

Relevance to LHEES Considerations

Heat decarbonisation and poor building energy efficiency.

Actions and activities relevant to LHEES

It is likely that LHEES will support local authorities and other registered landlords to strategically target properties for EESSH2 and allow for cross-working between organisations.

The LHEES Strategy and Delivery Plan should therefore seek to implement actions and delivery that support working towards EESSH2.

The targets proposed for EESSH2 could form the basis of Delivery Plan monitoring i.e. the local authority sets targets in relation to EPC levels – or at least targets that are able to support actions covered in its Local Housing Strategy.

Regulations/Requirements

The EESSH requirements are regulated by the Scottish Housing Regulator. Social landlords are required to demonstrate how they are complying with EESSH requirements on an annual basis.

Funding Support

Social Housing Net-zero Heat [Fund](#).

URL

<https://www.gov.scot/policies/home-energy-and-fuel-poverty/energy-efficiency-in-social-housing/#:~:text=The%20EESSH2%20milestone%20is%20that,cost%2C%20technology%20and%20necessary%20consent.>



The Scottish Energy Strategy 2017

Summary

The Scottish Energy Strategy 2017 sets out the 2050 vision for energy in Scotland. The strategy will be used by the Scottish Government to guide decisions. The vision for energy in Scotland is for Scotland to have a flourishing, competitive local and national energy sector, delivering secure, affordable and clean energy to Scotland's households, communities and businesses. The strategy has 6 priorities which are as follows: Consumer Engagement & Protection, Energy Efficiency, System Security and Flexibility, Innovative Local Energy Systems, Renewable and Low Carbon Solutions and Oil and Gas Industry Strengths.

Key Targets/Dates

By 2030:

- The equivalent of 50% of the energy for Scotland's heat, transport and electricity consumption to be supplied from renewable sources
- An increase by 30% in the productivity of energy use across the Scottish economy

Relevance to LHEES Considerations

Heat decarbonisation and poor building energy efficiency.

Actions and activities relevant to LHEES

Commitments to support fuel poverty alleviation; energy efficiency; and ambitions to make Scotland's buildings near zero carbon wherever feasible by 2050, and in a way that is socially and economically sustainable.

The following priorities set out in the Strategy are relevant to LHEES:

- Using investment and regulation to make Scotland's buildings near carbon zero by 2050
- Work with suppliers to explore new routes to support low income households
- provide advisory and technical support for community and local renewable energy schemes
- An enhanced role for local authorities and city regions to deliver new local energy system investment

Regulations/Requirements

N/A

Funding Support

Establishing a Low Carbon Innovation fund which will invest a further £60 million to deliver innovative low carbon energy infrastructure.

URL

<https://www.gov.scot/publications/scottish-energy-strategy-future-energy-scotland-9781788515276/pages/2/>



National Planning Framework 4

Summary

Published in February 2023, The National Planning Framework 4 (NPF4) sets the context for development planning in Scotland and provides a framework for the spatial development of Scotland as a whole. It is a statutory document and all planning applications must consider the policy implications of NPF4.

Key Targets/Dates

NPF4 constitutes the a National Spatial Strategy for Scotland for the period through to 2045.

Relevance to LHEES Considerations

Heat network zoning and other large infrastructure projects (following LHEES Delivery Plans), and linkages to Local Development Plans.

Actions and activities relevant to LHEES

NPF4 Policy 19: Heat and Cooling stated intent is to encourage, promote and facilitate development that supports decarbonised solutions to heat and cooling demand and ensure adaptation to more extreme temperatures.

Regulations/Requirements

NPF4 requires that Local Development Plans take into account the area's LHEES and

that the spatial strategy should take into account areas of heat network potential and any designated Heat Network Zones.

Policy 19 sets out the development management considerations which will facilitate and enable new developments to incorporate and promote LHEES.

Funding Support

N/A

URL

<https://www.gov.scot/publications/national-planning-framework-4/documents/>



Hydrogen Policy Statement

Summary

Published in December 2020, the Hydrogen Policy Statement sets out a vision for Scotland to become a leading hydrogen nation in the production of reliable, competitive, sustainable hydrogen, securing Scotland's future as a centre of international excellence.

Key Targets/Dates

5GW of renewable and low-carbon hydrogen by 2030 and 25GW by 2045.

Relevance to LHEES Considerations

On-gas heat decarbonisation and heat network zoning.

Actions and activities relevant to LHEES

The LHEES Guidance notes that the UK Government will take decisions on the role of hydrogen in the Great Britain gas network from 2026. This does not prevent local authorities from considering the strategic role hydrogen may play, as part of their LHEES. With this in mind, local authorities may evaluate the strategic role hydrogen could play in decarbonising heat in buildings and report against this in their Delivery Plan monitoring.

Chapter 6 of the Policy Statement sets out the policy priorities for using hydrogen for heat in buildings. The policy statement recognises the potential for hydrogen in Scotland's gas networks to begin decarbonising heat from the early

2020s.

The targets set out in this Policy Statement could be adapted and form the basis of Delivery Plan monitoring i.e. the local authority sets targets in relation to hydrogen in buildings – or at least targets that are able to any hydrogen strategy they have developed (if applicable).

Regulations/Requirements

N/A

Funding Support

£100 million investment to support delivery of hydrogen economy over next 5 years.

£6.9 million to H100 project in Fife to establish the potential for a 100% hydrogen network to power 300 homes.

URL

<https://www.gov.scot/publications/scottish-government-hydrogen-policy-statement/>

Housing to 2040

Summary

The Housing to 2040 Strategy was published March 2021. It sets out a vision for housing in Scotland to 2040 and a route map to get there. It aims to deliver the Government's ambition for everyone to have a safe, good quality and affordable home that meets their needs in the place they want to be. The Strategy aims to:

- Ensure new buildings are fit for the future without need to be retrofitted later
- Adapt and retrofit existing homes improving energy efficiency and allowing for decarbonised heating
- Take action to put housing at the heart of Scotland's green recovery and help to drive inclusive and sustainable economic growth

Key Targets/Dates

- 2042 - new buildings to use zero direct emissions heating
- 2026 - all new homes delivered by Registered Social Landlords and local authorities will be zero emissions

Relevance to LHEES Considerations

On- and off-gas heat decarbonisation; poor energy efficiency; poor energy efficiency as a driver of fuel poverty.

Actions and activities relevant to LHEES

The Strategy commits to:

- Bring forward proposals for regulating to require the installation of zero or very near zero emissions heat in existing buildings from 2025, with a backstop of 2045.
- Bringing forward regulations requiring private rented sector properties to achieve an equivalent to EPC C by 2028.
- Consult on proposals for regulations from 2023-25 to require owner-occupied private homes to meet a minimum level of energy efficiency (equivalent to EPC C) by 2035, and mixed-tenure/use buildings by 2045 (including installation of zero emissions heating).
- Work with HES to consider what specific regulatory provisions/exemptions may be needed within regulations for listed buildings and/or conservation areas.
- Currently developing regulations which will require new buildings consented from 2024 to use zero direct emissions heating.

Regulations/Requirements

- All new homes delivered by Registered Social Landlords and local authorities will be zero emissions by 2026.

Funding Support

N/A

URL

<https://www.gov.scot/publications/housing-2040-2/>



Tenements (Scotland) Act 2004

Summary

The Tenements (Scotland) Act 2004 provides a structure for maintenance and management of tenements where there is a gap in title deeds. Tenements form over a quarter of housing stock in Scotland.

Key Targets/Dates

N/A

Relevance to LHEES Considerations

Mixed-tenure and mixed-use buildings.

Actions and activities relevant to LHEES

Whilst not relevant at present, this should be monitored alongside the upcoming Heat in Buildings Bill, which sets out potential regulation for tenement buildings.

Regulations/Requirements

Introduced the Tenement Management Scheme, a statutory scheme which acts as the default management scheme for all tenements in Scotland. It provides structure for the maintenance and management of tenements if this is not provided in title deeds.

Funding Support

N/A

URL

<https://www.legislation.gov.uk/asp/2004/11/contents>

Historic Environment Policy for Scotland 2019



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Summary

The Historic Environment Policy for Scotland directs decision-making that affects the historic environment. It is non-statutory, which means that it is not required to be followed as a matter of law or statute. It is relevant to a wide range of decision-making at national and local levels. It is supported by detailed policy guidance.

N/A

URL

<https://www.historicenvironment.scot/archives-and-research/publications/publication/?publicationId=1bcfa7b1-28fb-4d4b-b1e6-aa2500f942e7>

Key Targets/Dates

N/A

Relevance to LHEES Considerations

Historic buildings (listed buildings, and buildings in conservation areas).

Actions and activities relevant to LHEES

Whilst not relevant at present, this should be monitored alongside the upcoming Heat in Buildings Bill, which sets out potential regulation for historic buildings.

Regulations/Requirements

N/A

Funding Support



The Planning (Listed Building Consent and Conservation Area Consent Procedure) (Scotland) Regulations 2015

Summary

The purpose of these Regulations is to provide for the procedures to be followed by all parties in relation to applications for listed building consent, applications for conservation area consent and applications for variation and discharge of conditions. These Regulations replace the Town and Country Planning (Listed Buildings and Buildings in Conservation Areas) (Scotland) Regulations 1987.

These Regulations provide the structure for submission/determination of any application for Listed Building Consent and/or Conservation Area Consent. Listed building consent is the mechanism by which planning authorities ensure that any changes to listed buildings are appropriate and sympathetic to their character. It helps to protect what is a rare and unique resource. Conservation area consent controls the demolition of unlisted buildings in conservation areas.

Key Targets/Dates

N/A

Relevance to LHEES Considerations

Historic buildings (listed buildings, and buildings in conservation areas).

Actions and activities relevant to LHEES

May have implications for heat decarbonisation and energy efficiency in relation to Regulation 7 below.

Regulations/Requirements

Regulation 7 requires the planning authority to consult with HES before granting or refusing applications for listed building consent by a planning authority; applications for listed building consent in respect of works for the demolition of a listed building, works to a category A listed building, works to a category B listed building, and applications for conservation area consent (that is, applications to demolish a building within a conservation area).

Funding Support

N/A

URL

[The Planning \(Listed Building Consent and Conservation Area Consent Procedure\) \(Scotland\) Regulations 2015 \(legislation.gov.uk\)](https://www.legislation.gov.uk)



Heat Networks Delivery Plan

March 2022

Summary

Sets out how provisions of the Heat Networks Scotland Act 2021 and wider policy will contribute to increasing heat networks in Scotland. The delivery plan sets out how the 2021 Act will be implemented in 4 packages of regulations from Summer 2022 to Early Summer 2023.

Key Targets/Dates

Same targets as the Heat Networks (Scotland) Act 2021.

Heat Networks to supply:

- 2.6 TWh (3% of current heat demand) by 2027
- 6 TWh (8% of current heat demand) by 2030.

Relevance to LHEES Considerations

Heat network development.

Actions and activities relevant to LHEES

Actions set out in the Heat Networks Delivery Plan re-iterate existing actions for LHEES covered elsewhere (e.g. Heat in Buildings Strategy).

In relation to heat network zones – SG will make available to local authorities further information on the availability of surplus or waste heat, to support the

identification of heat network zones.

Regulations/Requirements

Regulations are set out in the Heat Networks Scotland Act 2021.

Funding Support

- £1 million Heat in Buildings Development Funding
- Invest £400 million to support the development of large-scale heat infrastructure
- £300 million Heat Network Fund

URL

<https://www.gov.scot/publications/heat-networks-delivery-plan/documents/>



Local Energy Policy Statement

Summary

Published in January 2021, the Local Energy Policy Statement sets out the Scottish Government's approach to informing decisions regarding the development of local energy projects in Scotland. The statement is underpinned by a set of 10 key principles and associated outcomes. This policy statement integrates and aligns with other key Scottish Government policies including energy efficiency, LHEES and heat decarbonisation.

Key Targets/Dates

Policy Statement aligns with other Scottish Government targets.

Relevance to LHEES Considerations

All LHEES Considerations.

Actions and activities relevant to LHEES

The 10 key principles should be referred to when developing LHEES and cover matters relating to people, place, networks and infrastructure, pathways to commercialisation and opportunity identification.

Regulations/Requirements

The 10 principles set out in the policy statement are:

1. Undertake early engagement with people who will be involved, directly and indirectly

2. Recognise and tailor support to the different ways people will want to engage
3. Local energy projects should reflect local characteristics
4. Focus on collaborative strategic approaches and partnership working
5. All activity should provide a high level of security and quality of supply to all, with an emphasis on considering existing energy infrastructure first
6. The design and operation of energy networks should consider the whole energy system while supporting local, regional and national solutions
7. Prioritise projects that demonstrate a commercially viable and replicable opportunity, in line with the principle of inclusive growth
8. Opportunities that support net zero emissions and are “low regret” should be acted upon
9. Local energy projects should seek to support the creation of jobs, including the development of the Scottish supply chain
10. Changes to the energy system should ensure a just transition for Scotland's workforce

Funding Support

The Scottish Government will support local energy solutions through various funding programmes (although some of the programmes stated are now out of date).

URL

<https://www.gov.scot/publications/local-energy-policy-statement/>

Additional National Policy updated since
the LHEES Guidance



The Heat Networks (Scotland) Act 2021

Summary

The Act aims to accelerate the deployment of heat networks in Scotland through the introduction of a regulatory system aimed at boosting consumer confidence in the sector and providing greater certainty for investors. This Act supports the growth of heat networks through a number of initiatives including, ensuring that heat networks are developed in appropriate areas to maximise investor benefits and drive prices down for users and ensuring local communities are aware of developments which can support future users for heat networks.

Key Targets/Dates

Amount of heat to be supplied by heat networks is:

- 2.6 TWh by 2027
- 6 TWh by 2030

Target for 2035 will be discussed in 2023.

Relevance to LHEES Considerations

Heat network zoning.

Actions and activities relevant to LHEES

Section 47 of the Heat Networks (Scotland) Act places a duty on local authorities to carry out a review to consider whether one or more areas in its area is likely to be particularly suitable for the construction and operation of a heat network. In carrying out a review under Section 47(1), a local authority must have regard to

the matters mentioned in Section 48(1).

The LHEES Methodology sets out an approach to support local authorities to discharge this duty.

Section 47(4) – the decision to proceed to consider whether to designate the area as a heat network zone in accordance with Section 48 and; Section 47(6) – the publishing of a statement in relation to each area considered as part of the review, are being considered separately by Scottish Government. The designation of a heat network zone (as described in Section 48 of the Heat Networks (Scotland) Act) is being considered separately by the Scottish Government, and sits outwith the remit of LHEES.

Regulations/Requirements

Duty on local authorities to carry out a review to identify areas likely to be to be suitable for the construction and operation of heat networks (fulfilled by LHEES)

Secondary legislation is being developed around building assessment reports and heat network zones; heat network licenses, consents and permits

Funding Support

N/A

URL

<https://www.legislation.gov.uk/asp/2021/9/contents>



Heat Network Support Unit and Heat Network Fund

Heat Network Support Unit Summary

The Heat Network Support Unit (HNSU) aims to support the growth of heat networks by working with the public sector to address key challenges and build capacity through advice, expertise and financial support.

The Unit works with the public sector to identify, support and develop heat network projects to capital readiness through expert advice and grant funding. We also build capacity and expertise across the public (and private) sector in Scotland to develop and run successful heat networks.

The Heat Network Support Unit is part of the Scottish National Public Energy Agency and its Centre of Expertise.

Areas of support

- Interpreting LHEES; developing feasibility studies and outline business cases for defined projects;
- Advice on wider commercialisation, procurement, legal and financial matters
- Grant funding (for the above)
- Stakeholder engagement, project identification, policy linkage

URL

[Home - Heat Network Support Unit](#)

Heat Network Fund Summary

£300 million available over the next parliamentary session to support the development and rollout of zero emission heat networks across Scotland.

Aims to stimulate commercial interest, investment and maximise Scotland's vast potential in the low carbon sector, whilst contributing to the positive progress on reducing Scotland's greenhouse gas emissions.

Scotland's Heat Network Fund is open to all public and private sector applicants.

Application to this fund likely to follow pre-capital support receive vis the Heat Network Support Unit.

URL

[Heat Network Fund: application guidance - gov.scot \(www.gov.scot\)](#)



Draft Energy Strategy and Just Transition Plan

Summary

The draft Energy Strategy and Just Transition Plan (draft ESJTP) was published by Scottish Government January 2023. The strategy sets out the Scottish Government's plan to transform the way Scotland generates, transports and uses energy. The 3 overarching aims of the strategy are to scale up renewable energy production; secure continued and increased investment in the Net Zero energy economy; and delivery of a fairer, more secure energy system.

Key Targets/Dates

Key targets include:

- More than 20GW of additional renewable electricity from both on- and offshore sources by 2030
- 5GW or the equivalent of 15% of Scotland's current energy needs of hydrogen by 2030 and 25GW by 2045.
- Accelerated decarbonisation of domestic industry, transport and heat
- Establishment of a national public energy agency – Heat and Energy Efficiency Scotland.

Relevance to LHEES Considerations

All LHEES Considerations

Actions and activities relevant to LHEES

Scottish Government reaffirmed many of the commitments set out in the Heat in Buildings Strategy, its 2022 progress update and the 2022/23 Programme for Government. During the development period for LHEES, relevant actions included:

- A consultation on the Heat in Buildings Bill, which includes outline proposals for regulating energy efficiency and ZDEH in buildings
- Rolling out of new regulatory regime for heat networks (by 2024), via Heat Networks (Scotland) Act, including duty for local authorities to consider designation of areas as Heat Network Zones, for the constructions and operation of heat networks
- An updated target for renewable heat and, a new target for heat network supply for 2035
- A public engagement strategy for heat in buildings

Regulations/Requirements

N/A

Funding Support

Annex I of the ESJTP sets out the funding and finance available from the Scottish Government in the energy sector.

URL

<https://www.gov.scot/publications/draft-energy-strategy-transition-plan/>

Additional National Stakeholder Policy



Scottish & Southern Energy Networks

Strategy/Plan

SSEN Powering Communities to Net Zero: RIIO-ED2 2023-2028

Summary

This plan sets out SSEN's proposals for 2023-2028. Network companies are required to set out their proposals, benefits and costs to Ofgem which is known as a RIIO-ED2. SSEN's 4 priorities over the next 5 years are as follows:

- Deliver a safe, resilient and responsive network
- Provide a valued and trusted service for customers and communities
- Accelerate the progress towards a net zero world
- Make a positive impact on society

Key Targets / Dates

- Cut carbon footprint by at least 35%
- Create a foundation for net zero by investing £1 billion in strategic resilience

Relevance to LHEES Considerations

All LHEES Considerations where heat decarbonisation via electrification is concerned.

Actions and activities relevant to LHEES

Developing Local Network Plans (LNP) to help local authorities develop their LHEES and Local Area Energy Plans (LAEPs). LNP provide the local distribution network with network constraints and capacity information.

Proposal to support local authorities to deliver their net zero ambitions through data sharing and DFES collaboration. The creation of LNPs ensures SSEN data can be used to support the creating of LAEPs and LHEES.

Local authorities should refer to the LHEES Methodology Stage 1 for more information on engaging DNOs.

URL

[24645-SSEN-ED2-Final-Business-Plan-Website.pdf \(ssenfuture.co.uk\)](#)

Scottish Power Energy Networks

Strategy/Plan

SP Energy Networks: Enabling the path to Net Zero. RIIO for 2023-2038

Summary

This plan sets out SPEN's proposals for 2023-2028. Network companies are required to set out their proposals, benefits and costs to Ofgem which is known as a RIIO-ED2. The three main aspects of this strategy are:

- Develop a network that's ready for net zero
- Be the trusted partner for customers, communities and stakeholders
- Ready the business for a digital and sustainable future

Key Targets / Dates

Reduce carbon footprint by 37.8% and achieve net zero carbon by 2035.

Relevance to LHEES Considerations

All LHEES Considerations where heat decarbonisation via electrification is concerned.

Actions and activities relevant to LHEES

SPEN plan to work alongside local authorities as they develop their LHEES and Local Area Energy Plans (LAEP).

SPEN defined this as their Strategic Optimiser role, in which they will support stakeholders to identify opportunities for economical low carbon technology connection and energy efficiency that will most benefit customers.

The Strategic Optimisers will also work closely with SPEN's EV Optioneering team to ensure a joined-up approach is taken across the local decarbonisation of heat and transport. This whole systems approach will offer significant time and cost efficiencies, through local authorities having access to expert electricity network knowledge.

Local authorities should refer to the LHEES Methodology Stage 1 for more information on engaging DNOs.

URL

[Our RIIO-ED2 Business Plan - SP Energy Networks](#)

Strategy/Plan

SGN: A plan for our shared future 2021-2026 RIIO-GD2

Summary

This plan sets out SGN's plan for 2021-2026. Network companies are required to set out their proposals, benefits and costs to Ofgem which is known as a RIIO-GD2. SGN have 3 main commitments which are as follows:

- Making a positive impact on society
- Delivering a safe and efficient service
- Building a shared net zero future by accelerating decarbonised energy

Key Targets / Dates

- Matching Scotland's 2045 net zero ambition across both SGN networks
- Reducing carbon footprint by more than 25% from 2018/19 levels

Relevance to LHEES Considerations

On-gas heat decarbonisation and heat network zoning.

Actions and activities relevant to LHEES

SGN will engage with each local authority to refine SGN's network plans

alongside Council Local Development Plans and Energy Plans and actively engage with local energy teams including those charged with delivering LHEES and LAEPs. This commitment will be measured by the number of LAEPs and LHEES collaborations SGN proactively engage with.

URL

[RIIO-GD2 Business Plan | SGN Your gas. Our network.](#)



Scottish Water and Scottish Water Horizons

Strategy/Plan

Scottish Water Net Zero Routemap

Summary

Scottish Water Net Zero Routemap sets out how SW will become net zero by 2040.

Key Targets / Dates

- Reduce operational emissions by at least 60% compared to 2007 by 2025
- Reduce operational emissions by at least 75% compared to 2007 by 2030
- Achieve net zero by 2040

Relevance to LHEES Considerations

Heat network zoning (low carbon heat resource)

Actions and activities relevant to LHEES

Scottish Water Horizons have worked closely with several local authorities in relation to heat from waste water to support heat network development. Two examples are covered below.

Scottish Water Horizons facilitated the installation of the first heat from waste

water in the UK at the Scottish Borders College in Galashiels. The scheme recovers wasted heat from the public sewer system to supply the vast majority of heating and hot water demand on campus.

Additionally, Scottish Water Horizons in partnership with Stirling Council created the Stirling Low Carbon Heat Project which is the first of its kind to use heat from waste water technology and a combined heat and power engine. This will deliver low carbon heat to a community in Stirling through a district heating network.

URL

<https://scottishwaternetzero.co.uk/>

Historic Environment Scotland

Strategy/Plan

Historic Environment Scotland Climate Action Plan 2020-2025

<https://www.historicenvironment.scot/archives-and-research/publications/publication/?publicationId=94dd22c9-5d32-4e91-9a46-ab6600b6c1dd>

Summary

The Historic Environment Scotland Climate Action Plan 2020-25 sets out how HES plan to transform the way they operate in response to the climate emergency.

Key Targets / Dates

- Eliminate gas heating from all sites by 2032
- Develop hubs to support district-wide energy networks

Relevance to LHEES Considerations

Historic buildings (listed buildings, and buildings in conservation areas).

Actions and activities relevant to LHEES

Historic Environment Scotland will support energy efficiency retrofit programmes and work with the Scottish Government and partners such as Energy Saving Trust to develop energy improvement toolkit.

URL

Strategy/Plan

NHS Scotland Climate Emergency and Sustainability Strategy: 2022-2026

Summary

This strategy sets out NHS Scotland's plans to reduce their greenhouse gas emissions and impact on the environment. The plan includes 5 main priority areas which are: Sustainable Buildings & Land; Sustainable Travel; Sustainable Goods & Services; Sustainable Care and Sustainable Communities. NHS Scotland's ambition is for the service to become both environmentally and socially sustainable.

Key Targets / Dates

- Reduce greenhouse gas emissions from NHS Scotland buildings by at least 75% compared to 1990
- All NHS-owned buildings using renewable heating systems by 2038

Relevance to LHEES Considerations

Heat network zoning

Actions and activities relevant to LHEES

As owners of large estate in many local authorities, NHS Scotland will be a key

stakeholder when setting out LHEES Delivery Plans. In relation to accelerating action to reduce carbon emissions from buildings, Health Boards will:

- Prepare and implement net-zero route maps to use renewable heat for all our owned buildings by 2038 and achieve net-zero emissions for all our buildings by 2040 or earlier where possible
- Use PAMS to support decarbonisation and adaptation
- Take action to improve energy efficiency and conform with ISO 50001 or equivalent
- Apply to the £200 million Green Public Sector Estate Decarbonisation Fund
- Take account of carbon emissions when evaluating options for leasing buildings
- Maximise the use of renewable electricity including better use of roofs and adjacent grounds for on-site renewable energy and heat generation
- With the Scottish Government, explore options for entering into power purchase agreements and heat purchase agreements with local renewable electricity and heat providers

URL

<https://www.gov.scot/publications/nhs-scotland-climate-emergency-sustainability-strategy-2022-2026/>

ARUP