



Glasgow City Council

**Net Zero and Climate Progress Monitoring
City Policy Committee**

**Report by George Gillespie, Executive Director of Neighbourhoods,
Regeneration and Sustainability**

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Item 2

23rd May 2023

LOCAL HEAT AND ENERGY EFFICIENCY STRATEGY (LHEES) UPDATE

Purpose of Report:

To provide Committee with an update on progress of the Local Heat and Energy Efficiency Strategy (LHEES).

Recommendations:

The Committee is asked to:

- 1) Note the contents of this report;
- 2) Note the progress being made in the development of Glasgow's LHEES
- 3) Note the planned consultation period for the LHEES
- 4) Note that the final LHEES will be provided to the Net Zero and Climate Progress Monitoring City Policy Committee and City Administration Committee before the end of 2023.

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes No consulted: Yes No

1. Introduction

- 1.1 The purpose of this report is to provide committee with an update on the development of Glasgow's Local Heat and Energy Efficiency Strategy (LHEES) and planned stakeholder and public consultation.
- 1.2 This report outlines the current status of the project including: evolution of the legislative framework, the methodology for identification of heat zones, and the areas that require consultation to finalise the strategy for committee consideration before adoption and publication.
- 1.3 As has been noted in the previous submission to the Environment Sustainability and [Carbon Reduction City Policy Committee of March 7 2022](#)¹, the implementation of the LHEES has been designed to provide a range of benefits such as: the decarbonisation of domestic and non-domestic heating, facilitate improvements in housing stock Energy Performance Certificate (EPC) levels in line with legislative requirements, and to achieve a reduction in levels of fuel poverty.

2. Background

- 2.1 The concept of a Local Heat & Energy Efficiency Strategy (LHEES) was introduced following Scottish Government consultation in 2017. This was followed by the [Heat in Buildings Strategy](#) published in October 2021 which confirmed that the introduction of area based LHEES are fundamental to the Scottish Government's approach to heat decarbonisation. This action will significantly contribute to realising the outcomes of the [Climate Plan](#) on renewable heating and a just transition. Linkage to specific Climate Plan actions is noted in Section 6 of this report.
- 2.2 The creation of an LHEES brings together key priorities around the reduction of carbon emissions, improvement of domestic and non-domestic stock and the need for affordable warmth. The development of an LHEES requires consideration of these priorities in a comprehensive way to ensure that action addresses inequalities, expressly that of fuel poverty, and enables a just transition to net-zero carbon by 2030. Heating Glasgow's buildings contributes significantly to overall city emissions. Emissions from gas, which heats 84% of domestic properties in the city, accounts for 43% of total emissions in Glasgow.
- 2.3 The production of an LHEES became a statutory duty for local authorities in May 2022 through [The Local Heat and Energy Efficiency Strategies \(Scotland\)](#)

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<https://www.glasgow.gov.uk/CouncillorsandCommittees/viewSelectedDocument.asp?c=P62AFQDNZLDXUT0GZL>

[Order 2022](#). This requires local authorities to publish their strategy and associated delivery plans by the 31st of December 2023; renewal of both is required on a five-year cycle.

- 2.4 The Heat Networks Regulations are under development. Glasgow City Council continues to work closely with Scottish government to understand the impact of these regulations on the developing LHEES.

3. LHEES Progress Update

- 3.1 The concept of an LHEES brings together strategic priorities around fuel poverty and carbon emissions associated with heating our buildings. This is echoed at national level via both the Scottish Energy Strategy and the Heat in Buildings Strategy.
- 3.2 The focus for Glasgow's LHEES is to identify how the city can reduce demand for heat whilst decarbonising its supply. In this context, heat networks have been identified by the Scottish Government as a low-regret² technology for local authorities to pursue in the delivery of LHEES. For Glasgow, a heat dense metropolitan area, heat networks present a viable opportunity to further decarbonise the city's heating supply.
- 3.3 Glasgow has been identifying areas that are suitable for district heating. This approach is primarily based on demand for heating and follows Scottish Government's LHEES methodology, which follows best practice³ used in the rest of the UK and Europe. Further action is required from the Scottish Government before there is a clear path from the identification of heat network zones (as per the LHEES methodology) to the formal designation of the final zones which will be progressed through the Heat Networks Act regulations.
- 3.4 The development of heat networks has the potential to reach about 46% of the city's population. In regard to addressing fuel poverty, the preliminary work has shown that circa 45% of those within the top quartile of SIMD areas would potentially benefit from heat networks.
- 3.5 Discussions have taken place and are ongoing between Glasgow City Council and stakeholders such as Scottish Water Horizons (there may be opportunity to harness renewable waste heat from the sewerage network) and Scottish Power Energy Networks (to confirm supply capacity data) to refine the zones. Importantly, both SWH and SPEN seek to publish online resources for local authorities to assist in clarifying LHEES zones. It is anticipated that both online tools will become active by the end of May.

² These are the technological solutions where cost uncertainty is low and we already understand (a) the costs of installation and (b) running costs for consumers. They are considered low-regret as, across all plausible pathways to net zero, they are likely the most cost effective zero emissions options in the buildings identified.

³ The approach is aligned with the heat network zoning tool developed by Department for Energy Security and Net-Zero (formerly part of Business, Energy, and Industrial Strategy (BEIS)) and that used in Scandinavian countries where heat networks are prevalent.

3.6 In order to finalise the analysis stage of the strategy, early stage consultation is being undertaken. As is detailed in the following section, both early stage consultation and a further public consultation are required at this point as part of the Scottish Government Methodology.

4. LHEES Current Status

4.1 Consultation is currently taking place with internal GCC partners (Housing, Planning, etc) and with external stakeholders such as Housing Associations and other public sector organisations to allow for the gathering of further information and the verification of data for high demand customers of potential heat networks. It is also expected to identify any additional sources of waste heat that could be utilised. This precedes public engagement which will take place following integration of comments and data collected during this stage.

4.2 A summary of the current status and intention of each aspect of the strategy is outlined below.

Introduction

This section contextualises the LHEES in relation to the climate emergency. It provides an overview of the need to reduce heat demand and decarbonise heat supply using both heat networks and targeted energy efficiency improvements. It also provides detail on the expectations set out by the Scottish Government with regard to the LHEES approach.

Our Net-Zero Journey

This section provides details of the policies and targets, both local and national, that will influence the LHEES. Finally, it provides details of current infrastructure across the city to provide a performance baseline.

Developing LHEES Zones

This section outlines the methodology followed to identify zones that are:

- Indicatively viable for development as heat networks.
- Suitable for targeted energy efficiency interventions.
- Suitable for the implementation of alternative approaches to renewable energy based heating.

Proposed LHEES Delivery Zones

Following on from the development process detailed above, this section will present identified and prioritised locations suitable for heat network delivery along with summaries of the features that make the location suitable and likely to satisfy the relevant strategic priorities as outlined above.

Key Risks and Challenges

The LHEES provides the strategic context and prioritised action plan, however this section frames the risks inherent to the implementation phase. This will include consideration of risks associated with the scale of investment required to implement successful heat networks alongside the challenges of improving the energy efficiency of the city's built environment.

Delivering the LHEES

Delivery of the LHEES will require coordination of fabric improvement and decarbonisation projects, many of which are the responsibility of Housing Associations and other external stakeholders. This section will highlight the many factors that require to be considered and seek to coordinate these. Aspects of how this will be progressed will depend on what legislation, currently being developed by Scottish Government, is adopted.

Delivery Plan

This provides a strategic overview of a phased delivery of the LHEES. The Delivery Plan will provide a strong basis for action for local communities, government, investors, developers and wider stakeholders, pinpointing areas for targeted intervention and early, low-regrets measures.

5. Next Steps

- 5.1 Internal consultation is planned to take place during May to ensure the LHEES captures and complements the broad range of existing strategy and policy currently taking place or planned across the Council family. Additionally, GCC will host a series of targeted stakeholder workshops to obtain feedback on the consultation draft and help refine the zoning process further.
- 5.2 A full public consultation will take place over the summer period. This will seek to provide an understanding of what the LHEES will offer and what the benefits to the public will be. Full public content will be finalised after targeted workshops and internal consultations have been completed. This will ensure that the LHEES has feedback and buy-in from citizens and will follow the standard Glasgow City Council public consultation process.
- 5.3 Discussions are underway with GCC Housing Services, Housing Associations, and Registered Social Landlords (RSLs) to gather essential data on where energy performance retrofit actions have been carried out and are planned across the City. This will feed into the final assessment of the zone outputs and provide clarity on how these energy efficiency actions can support the delivery of the LHEES.
- 5.4 The opportunities outlined within the Climate Finance paper (Item 1), will be explored further in order to secure the finances needed to deliver the area based actions included within the LHEES delivery plan.

- 5.5 The Council will continue to monitor the policy development at government level and seek to incorporate any further developments into the LHEES final draft as required.
- 5.6 Following the Net Zero and Climate Progress Monitoring City Policy Committee meeting, an update will be provided to the City Administration Committee prior to public consultation.
- 5.7 Upon the incorporation of feedback from the public consultation and other previous consultations, the final draft of the LHEES will be taken to the Net Zero and Climate Progress Monitoring City Policy Committee prior to the final version presented to the City Administration Committee towards the end of autumn.

6. Policy and Resource Implications

Resource Implications:

Financial: There are no direct financial implications arising from the report.

Legal: The report raises no direct legal issues.

Personnel: The development of the LHEES will be managed through current staff resources within the Sustainability and Housing Teams.

Procurement: No procurement issues raised by this report.

Council Strategic Plan: Contributes to Grand Challenge 3 - *Fight the Climate Emergency in a Just Transition to a Net Zero Glasgow* and Mission 2 - *Become a net zero carbon city by 2030*

Equality and Socio-Economic Impacts:

Does the proposal support the Council's Development of the LHEES supports the Equality Outcomes:

Equality

Outcomes 2021-25? Please specify.

“An increased proportion of women, black and minority ethnic people, younger people, disabled people and LGBTI+ are supported to enter employment or training.”

Progress towards decarbonising heat in Glasgow will require the creation of new training and employment opportunities.

What are the potential equality impacts as a result of this report?

One of the aims of the LHEES is to help reduce fuel poverty rates across Glasgow. Action to mitigate high fuel costs is likely to benefit all equality groups.

Please highlight if the policy/proposal will help address socio-economic disadvantage.

A reduction in fuel poverty across the city via the development of local heat networks and improved energy performance of housing.

Climate Impacts:

Does the proposal support any Climate Plan actions? Please specify:

The LHEES supports the ambition of the Climate Plan and the need to reduce carbon emissions relating to Glasgow’s built environment. In reducing emissions from heat and improving energy efficiency, the LHEES will broadly support the Climate Plan and Glasgow’s journey toward net-zero carbon by 2030. Specifically, it supports Actions 8, 9, 14, 15, 17, 23, 24, 34, 39, 41, 42, 44, 46, 50.

What are the potential climate impacts as a

A reduction in carbon emissions relating to the heating of buildings both by reducing demand for heat

result of this proposal?

and decarbonising the supply of heat. Support will be provided to the green economy in the form of the creation of jobs, and increased green investment into the city.

Will the proposal contribute to Glasgow's net zero carbon target?

By reducing emissions relating to the built environment, the LHEES will have a direct positive impact on Glasgow's net zero carbon target.

Privacy and Data Protection Impacts:

Not directly applicable to this report. Any data used is either publicly available or will be transferred under the jurisdiction of a Data Sharing Agreement between project partners.

7. Recommendations

7.1 The Committee is asked to:

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