Agenda Item	10.
Report No	CCC/24/24

The Highland Council

Committee:	Climate Change
Date:	7 November 2024
Report Title:	The Local Heat and Energy Efficiency Strategy (LHEES) Delivery Plan Update
Report By:	Assistant Chief Executive - Place

1 Purpose/Executive Summary

1.1 The report provides an update on the Delivery Plan for the Local Heat and Energy Efficiency Strategy.

2 Recommendations

- 2.1 Members are asked to:
 - i. **Note** progress to date;
 - ii. **Consider and agree to recommend** that the Council approve the draft LHEES Delivery Plan Strategic Approach set out at Appendix 1; and
 - iii. **Consider and agree to recommend** that the Council approve the draft Delivery Plan contained in Appendix 2.

3 Implications

- 3.1 **Resource** The development of the Delivery Plan requires input across Council services. The Delivery Plan to be implemented within existing resource.
- 3.2 Legal <u>The Local Heat and Energy Efficiency Strategies (Scotland) Order 2022</u> places a duty on local authorities to prepare, publish and update a Local Heat and Energy Efficiency Strategy and Delivery Plan.

The LHEES Delivery Plan is intended to compliment the Our Future Highland Delivery Plan to promote a more integrated and targeted approach for fuel poverty, supply chain development, energy efficiency and heat decarbonisation.

- 3.3 **Risk** There are no direct implications arising from this report.
- 3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** There are no direct implications arising from this report.
- 3.5 **Gaelic** The Delivery Plan includes Gaelic language headings.

4 Impacts

- 4.1 In Highland, all policies, strategies or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children's Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. Where identified as required, a full impact assessment will be undertaken.
- 4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.
- 4.3 This is an update report and therefore an impact assessment is not required.

5 Background

- 5.1 The Local Heat and Energy Efficiency Strategies (Scotland) Order 2022 places a legal duty on all 32 Scottish local authorities to prepare a local heat and energy efficiency strategy and delivery plan by the end of December 2023 <u>LINK</u>
- 5.2 The Council published the first iteration of the Strategy and high-level Delivery Plan in December 2023 <u>LINK</u>

The Strategy underpins an area-based approach to heat and energy efficiency planning and delivery and sets out the long-term plan for decarbonising heat in buildings and improving their energy efficiency across an entire local authority area. The Delivery Plan sets out how the Highland Council proposes to support implementation of the Strategy.

- 5.3 The development and implementation of LHEES will establish a framework for heat decarbonisation in both public and private buildings, reduce energy demand, tackle fuel poverty, and contribute to net zero targets. It will do this by identifying area-based solutions and, for instance, indicative zones for developing heat networks whilst supporting local infrastructure planning and attracting investment at scale to 2045.
- 5.4 Members can access the draft LHEES Delivery Plan in the **Appendix 1** and proposed project layout in **Appendix 2**.

6 Next Steps

6.1 The Delivery Plan will be kept updated with projects and ongoing activity for the duration of this Plan.

Designation:	Assistant Chief Executive - Place
Date:	2 October 2024
Author:	Ruta Burbaite, Climate Change Coordinator (LHEES)
Background Papers:	Local Heat and Energy Efficiency Strategy (LHEES) Local Heat and Energy Efficiency Strategy (LHEES) (highland.gov.uk)
Appendices:	Appendix 1 – Draft LHEES Delivery Plan Strategic Approach Appendix 2 – Draft Delivery Plan

Appendix 1.



Local Heat and Energy Efficiency Strategy Delivery Plan

Ro-innleachd Èifeachdas Teasa agus Lùtha Ionadail Plana Lìbhrigidh

Strategic Approach

DRAFT

Original			
Version	Author	Note	Date
1.0	RB	Original Delivery Plan	14/12/2023
Revisions			
Version	Author	Note	Date
2.0	RB	Updated Delivery Plan	03/10/2024

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1. Introduction

Ro-ràdh

Accompanying the Highland Council Local Heat and Energy Efficiency Strategy (LHEES) is a Delivery Plan, enabling the Council and partners to work towards delivering the changes identified in the Strategy.

1.1 Purpose

The Delivery Plan is built on opportunities outlined in the Strategy which provides a useful baseline of local priorities and drivers for domestic and non-domestic properties. In development of the Delivery Plan consideration of was given to wider local activity, to facilitate a clear direction and create a solid foundation for the plan including its activity, programmes and relevant funding. The list of activities is not exhaustive as more opportunities will be identified during delivery and further stakeholder engagement.

The Plan focusses on the short to medium-term delivery of activities that the Council has greatest influence over. This will help put into context what activity can currently be delivered, given available funding, resource and the changing policy landscape, as well as understanding the potential for future policies and programmes to be developed.

The Delivery Plan should be read in conjunction with Highland Council's LHEES. It covers the period 2024 to 2028. This document is expected to be updated in line with policy and target developments.

2. Strategic Approach

Dòigh-obrach Ro-innleachdail

The Council LHEES is a long-term strategic framework for decarbonising heat in buildings and improving energy efficiency, framed around two strategic priorities:

- A fabric first approach
- Decarbonising heat

Importantly, the strategy provides a strategic opportunity to develop projects and programmes in targeted priority areas through:

- Aligning areas against delivery programmes (such as Energy Efficient Scotland: Area Based Scheme (EES:ABS)).
- Aligning against any (future) regulation requirements to demonstrate areas that may require focus and investment (Energy Efficiency Standard for Social Housing (EESSH2¹)).
- Prioritising areas depending on local drivers, targeted geographic areas. For instance, fuel poverty.
- Considering constraints, resources and new/ future developments that could impact any delivery decision.

Enabling place-based and people-centred planning for future energy capacity by maximising current and future opportunities to bring economic growth and wide range of benefits to stakeholders.

2.1 Links to Programme

The Highland Council published <u>Our Future Highland Delivery Plan 2024-2027</u> which sets out a roadmap on how to plan, manage and deliver work whilst aligning with the Budget Strategy for 2024-2027 and the revised <u>Highland Outcome Improvement Plan</u> (<u>HCPP</u>). The LHEES Delivery Plan is intended to compliment the Our Future Highland Delivery Plan to promote a more integrated and targeted approach for fuel poverty, supply chain development, energy efficiency and heat decarbonisation. The programmes, workstreams and projects related to the LHEES are presented in **Table 1**.

¹ Note: The Scottish Government ran a consultation to invite views on proposals for a new Social Housing Net Zero Standard (SHNZS). This will replace the post-2020 Energy Efficiency Standard for Social Housing, or EESSH2. This consultation closed on 8 March 2024 and the responses are now under independent analysis.

Programme	Workstream	Project(s)	
Net Zero, Energy	Net Zero Delivery	 Heat Networks 	
Investment &	Energy Estate	 Energy Efficient Council 	
Innovation		 Energy Efficient Homes 	
Warkforce for the	Skills Intelligence & Job	 Industry Engagement 	
future	Opportunities		
luture	Career pathways & packages	 Future Highland Workforce 	
		 Migration of Property Assets 	
	Single Property Service	and Property Resources	
Assat		 New Trades Framework 	
Asset		 Develop a Strategic Asset 	
recomgutation		Management Plan	
	Highland Investment Plan	 Improve Existing Asset 	
	-	Condition / Reduce Risk	

Table 1 – Links to Our Future Highland Delivery Plan 2024-2027

Other relevant national and local policies, plans, strategies and legislation can be found in the published LHEES Strategy.

2.2 Local Area Energy Planning

The scope of LHEES is broad and cuts across retrofit projects, new developments, electric vehicle (EV) charging infrastructure and the whole energy system. For Highland, the transition to Net Zero presents a significant economic, social and industry opportunity. Growing demand in Highland puts the electricity grid under additional pressure. The increased use of electricity and connection delays requires new and upgraded connections to distribution and transmission networks. Further the approach needs to have coordination between retrofit projects, new developments, EV charging infrastructure, as well as the whole energy system.

Figure 1 – Energy Related Activity

	The Highland Investment Plan will deliver a £2.1 billion investment in
	schools, services, roads and local infrastructure over the next 20 years
	including new build projects in Tain Campus, Broadford Primary, Nairn
	Academy and Tornagrain.
	The development of the Inverness and Cromarty Firth Green Free Port
фф.	will provide a significant number of jobs in the region, impacting on
	accommodation availability. It is estimated an additional 24,000 houses,
	(double the normal delivery level), will be required to be built in the next
	10 years to meet the demand.
	The Council has an opportunity to accelerate their new build programme
	and ensure that current housing stock meets required standards. At the
	Housing and Property Committee of May 2024, several plans were
	proposed as part of the Local Housing Strategy 2023-2028. This will help
	provide affordable and sustainable housing for the Highland households
	with an identifiable housing need.
	The Council has been given devolved infrastructure funding to open
E	constrained housing sites and has been developing and piloting new
	forms of construction including modular and passive housing.
·	The Council is exploring the production potential of green hydrogen
· ·	within the region to ensure energy security.
	Work is currently underway to explore the potential for establishing heat
	networks within the Highlands. Initial engagement has highlighted the
	potential to attract more than £300m by 2030, with the potential for a
	further £500m by 2040 to deliver a city-wide network.
<u>†</u> T	Community energy to increase by 100% in generation capacity by 2030.
	The Council aims to expand solar assets across the Council's non-
	domestic estate. The intention is to target the addition of 1 megawatt
	(MW) of solar generation capacity to the property estate per annum for
	the next five years.
1	Work is underway to explore potential to develop a commercial on-site
	Power Purchase Agreement (PPA) model across tenanted properties
	within the Council's commercial estate.

¥	Work is underway to explore opportunities for the Council to invest in utility-scale solar, batteny energy, onshore and offshore wind energy.
^t an	The Highland Council currently has 145 chargers across the region, comprising of 7kw to 50kW units. Currently 119 of these are publicly available, the other 26 are depot-based fleet chargers.
	The Council has completed work on a Transport Scotland funded Pathfinder Project, in collaboration with Aberdeen City, Aberdeenshire and Moray Councils. In 2022, it was identified that the total chargers in the region totalled 287 (Council and privately owned). Based the findings on all vehicles becoming electric, it was determined that level of home
	chargers needs to increase from 623 (at time of study) to 79,374 by 2045.

Addressing transition and distribution challenges requires collaboration between the Scottish, United Kingdom (UK) government and policy, local authorities, energy regulators, utility industry and local community. There is a clear and present need to undertake strategic planning to understand both current capacity and to plan for future upgrade requirements to the electricity grid.

2.3 Delivery Mechanism

The purpose of the delivery mechanism is to set out a clear path towards delivery of LHEES and support individuals, communities and businesses with their Net Zero journey. Several delivery mechanisms have been identified in this Delivery Plan, as summarised below.



Figure 2 – Delivery Mechanism

Funding

Domestic heat decarbonisation and energy efficiency delivery is based on current available funding and programmes. The Council has secured additional external funding from Scottish and Southern Energy Renewable (SSE Renewable) to support private households classed as extreme fuel poverty to support the delivery of energy efficiency improvements.

Many social housing providers in Highland are currently assessing their stock to evaluate condition. It is worth noting that in some instances, aesthetics is prioritised over energy efficiency works.

Supply Chain

Supply chain plays one of the most important roles in building a sustainable and energy efficient future for the Highlands. However, there is a gap in supply chain skills, capacity and qualifications to meet the LHEES, energy efficiency and wider local commitments.

Community Benefits and Sustainable Procurement

Community Benefits and Sustainable Procurement provide opportunities for increased prosperity which contributes to economic growth, reduces inequality, helps minimise impacts on the environment through the Net Zero aspirations. They help to demonstrate best value, achieve broader outcomes sought and are a source of positive corporate social responsibility activities by the Council, our communities and the suppliers who deliver them.

The Council has already committed to become an exemplar in delivering ambitious, transformative action to tackle climate change and achieve Net Zero emissions by 2045. Our Net Zero and Joint Procurement strategies mandate that all procurement activities are conducted in a manner that promotes a circular economy and secures Net Zero emissions through a Just Transition.

Communication and Engagement

Continued engagement and collaboration is critical for the successful delivery of LHEES. Which is planned around potential decarbonisation, energy efficiency opportunities and heat network developments within the Council area.

The Council in partnership with Changeworks develop a Stakeholder Engagement Plan (SEP) to highlight areas of focus and detail activities for specific stakeholders to track engagement. Key stakeholders and partners have been identified and mapped out to support delivery of the LHEES as part of the Strategy development and ongoing engagement activities. An Influence/ Interest Matrix has been used to further map stakeholders within the Council's locality to support LHEES delivery. This gives a good understanding of level of engagement required for each stakeholder.

The SEP and Influence/Interest Matrix and recommended level of engagement can be found in Appendix A.

Internal engagement is as important as external to ensure that the Council staff and Members are fully aware of any relevant projects and can support delivery.

Planning

Around 2% of buildings are listed and 6% of domestic buildings are in conservation areas in the Highlands. The region contains 30 conservation areas which are areas of special architectural or historic interest, the character or appearance of which it is desirable to protect, preserve or enhance.

There are restrictions for properties in conservation areas and location of technology is key. i.e. at the rear of the property (out of sight) you can install an air source heat pump (ASHP) under Permitted Development, but you cannot if it is on the front elevation as this would change the appearance.

Listed buildings in conservation areas and non-listed buildings in conservation areas are viewed differently in the planning system. To determine whether planning permission is required, the <u>Town and Country Planning (General Permitted Development) (Scotland)</u> <u>Order 1992</u> or Government Circular on Permitted Development must be considered.

Heat Network Delivery Model

The suitability and applicability of the preferred delivery model can be determined by the desired level of control, risk and return on investment. The level of control the Council or stakeholders have over the scheme is seen as critical in achieving the heat network project objective to make it affordable and reliable for the Highlands.

Commercial and policy factors will strongly shape the delivery approach needed to manage the project and the degree of interest of those involved. Local authorities (LA) play a significant role in the development of heat networks, as laid out below:

- Heat load early adopter and guaranteed customer base. The Council has a significant number of non-domestic properties across the region which can provide the basis for securing initial heat loads.
- Planning providing pre-planning advice and consenting the development of the network, whether it is an existing network or planned development.
- Targets supporting local and national Net Zero, fuel poverty and carbon reduction targets.
- Cross-boundary collaboration larger scale heat networks may cross a LA boundary and a LA can support activities between different local authorities.
- Delivery model understanding the Council's scope, objectives, role, level of control, governance, risk appetite, investment capacity, resource and stakeholders' role are key for any network development.

The Council will work in partnership with Zero Waste Scotland (ZWS) and Scottish Futures Trust (SFT) to explore potential delivery models and commercial structures. Additional expert advice from consultants will be sought as required.

2.4 Timescales

The Council's proposed delivery timescales for activities listed within this Delivery Plan are defined in **Figure 3**. This includes short to medium-term activity, priorities and opportunities that are likely to be achieved within the first iteration of the Strategy and Delivery Plan. A long-term vision establishes the direction for future projects and their development based on evidence of local needs, priorities and progress achieved within the first iteration of the LHEES.



Immediate Up to 6 months. It includes activity that can be delivered immediately.



Short-term 6-18 months. It includes activity that need to be prioritised within the first iteration of LHEES.



Medium-term

18 months - 5 years. It includes activity that need to be assessed further for future delivery.



Long-term Vision

5 years onwards. It includes the longterm vision of the project developments.

Figure 3 – Delivery Timescales

3. Building Level Heat Decarbonisation and Energy Efficiency Delivery Areas

Dì-charbonachadh Teas Ìre Togalaich agus Sgìrean Lìbhrigidh Èifeachdas Lùtha

Activities in relation to building level heat decarbonisation and energy efficiency delivery areas have been focused on the domestic stock decarbonisation, due to available funding, and Council owned properties. Delivery will depend on factors such as householder sign-up, tenants opt-outs, technical feasibility and property suitability. **Table 2** lists delivery areas, not in order of priority.

For Council houses, the number of properties which may benefit from solar photovoltaic (PV) will depend on, roof orientation, roof condition and final heating system which is installed.

The Council LHEES does not include non-domestic projects at building level because it has minimal influence over non-domestic buildings owned by public and private building owners.

The Climate Change and Energy Team is undertaking surveys of non-domestic buildings to understand their conditions and plan any future energy efficiency and heat upgrade works. It is planned to undertake 300 surveys over the next two years.

The Council is currently delivering the 'Develop a Strategic Asset Management Plan (SAMP) project to bring financial and operational benefits and outcomes through a reduction in the Council's building estate footprint.

Delivery Area	Tenure
Fort William	Multi-tenure
Balintore, Tain	Multi-tenure
Isle of Eigg	Multi-tenure
Isle of Raasay	Multi-tenure
Ross and Cromarty	Multi-tenure
Wick, Caithness	Local Authority
The Black Isle	Local Authority
Dingwall	Local Authority
Thurso, Caithness	Local Authority
Ullapool, Isle of Skye and Garve	Local Authority
Sutherland	Local Authority

Table 2 – Building Level Heat Decarbonisation and Energy Efficiency Delivery Areas

4 Heat Network Delivery Areas

Sgìrean Lìbhrigidh Lìonra Teasa

Larger scale heat networks are usually more suited to areas of high heat demand, which are often associated with denser urban settings or areas of high industrial use. Although the geography and setting in Highland is very different from some other parts of Scotland, the LHEES Strategy, identifies areas of potential deployment of heat networks in Highland. It is worth noting that only Council owned non-domestic buildings or building that the Council has some control over were included in the

analysis. Areas such as Wick, Thurso and Isle of Skye have a high potential for smaller scale heat networks.

Although the Council has not designated Heat Network Zones yet, the analysis carried out for strategic zoning and pathways for the heat network consideration helped the Council identify potential zones to inform activity around further investigation within the Delivery Plan.

The potential zones listed in this Delivery Plan, not in order of priority, present theoretical and technical potential only at a strategic level, prior to any site level feasibility study alongside funding availability to progress them. Existing infrastructure, constraints and Local Development Plan (LDP) allocations have given the Council the opportunity to understand how these zones could be further developed, considering heat source opportunities, proximity to existing networks and local development sites.

Cluster location	Zone location
Invergordon	Invergordon Academy and Invergordon Sports Centre
Inverness 1	Inverness High School and The Highland Council Headquarters
Inverness 2	The Justice Centre and Police Scotland
Inverness 3	Police Headquarters and Bannatyne Health Clubs
Dingwall 1	Dingwall Academy and Highland Council Tecs Depot
Dingwall 2	Highland Football Academy, Ross Memorial Hospital and The
	Health Centre
Fort William	Bedford Hospital and The Nevis Centre

Table 3 – Indicative	Heat Network Zones
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Appendix B notes ongoing investigations regarding heat networks deployment opportunities in the Highlands that the Council is in some way involved in. The list is not exhaustive, and more opportunities will be added during the duration of this living Delivery Plan.

4.1 Highland Local Development Plan

The Highland Council is developing the new LDP for the whole of Highland excluding most of the Badenoch & Strathspey area for which the Cairngorm National Park is

the Planning Authority (CNPA); (CNPA will likewise be developing a new LDP). The plan will set out how the land can be used by developers for the next twenty years and will be used alongside National Planning Framework 4 (NPF4) as a framework for planning of development and investment.

The Council's <u>Development Plans Newsletter</u>, published March 2024, outlines the timeframe for the preparation of the new LDP and includes a timeline indicating that the proposed plan stage will be reached by Q3 in 2025-26. With the finalised plan being adopted by Q3 2027-28. The Development Plan Newsletter is updated annually, including providing updated or more detailed timelines where necessary.

A <u>Local Place Plan</u> (prepared by a community body) can play a part in shaping the LDP for a region by conveying a community's proposals for the development or use of land and buildings in their local area.

The Council's Planning Team is accommodating spatial planning for heat networks through preparation of the LDP and will support the growth of heat networks as part of the LHEES.

5 Delivery Plan Activities

Gnìomhan Plana Lìbhrigidh

The Delivery Plan summarises the considerations noted in the LHEES and translates them into activities to be delivered within the first iteration of the LHEES. Ongoing collaborative efforts between the Council, stakeholders and Scottish Government agencies is essential for the successful delivery of the Highland Council LHEES.

Table 4 – Delivery Plan Activities

Action	Lead Organisation	Timescale	Outcome(s)
Skills and Jobs		I	
Support identification of skills and jobs required for energy efficiency, retrofit and heat decarbonisation works	The Highland Council	Ongoing	Align with Workforce for the Future Programme
Support workforce development	The Highland Council	Ongoing	Align with Workforce for the Future Programme
Develop the Highland Energy Efficiency Framework	The Highland Council	Immediate	Develop a Highland Energy Efficiency Framework (2024-2028) for energy efficiency works to offer local contractors the opportunity to bid for energy efficiency contracts, benefit from training and access external funding, where appropriate
Energy Infrastructu	ire		
Engage with a Distribution Network Operator (DNO) to understand impact of individual heat pump installations on local grid	The Highland Council	Ongoing	Utilise the Local Energy Net Zero Accelerator (LENZA) tool to support strategic planning and decision-making Energy infrastructure plans are aligned with LHEES plans
Engage with Scottish and Southern Energy Networks (SSEN)	The Highland Council	Short-term	Utilise the Local Energy Net Zero Accelerator (LENZA) tool to support

to determine available grid			strategic planning and decision-making
capacity throughout the lifetime of the Strategy, whilst			Energy infrastructure plans are aligned with LHEES plans
taking a holistic			
approach to the			
system			
Explore solar potential	The Highland Council	Ongoing	Align with Net Zero Programme
Funding			
Maximise existing funding opportunities at national and local level on available options for different types of housing stock	The Highland Council	Ongoing	Review HRA capital budget allocations for energy efficiency works. Align existing HRA capital budget with LHEES retrofit plans Maximise and manage external funding, including Energy Company Obligation (ECO) 4, EES:ABS (for private properties) and enabling funds Secure external Social Housing Net Zero Funding (SHNZF) Explore externally funded opportunities
			project delivery
Work with delivery partners to raise awareness of funding support available to households,	The Highland Council	Ongoing	Increased awareness of funding support through engagement sessions, events and partnership working

community groups			
and businesses			
	T I 111 I I		
Create PowerBI dashboard for all Highland domestic	The Highland Council	Ongoing	Create Domestic PowerBI dashboard
properties			Maintain and update Domestic PowerBI regularly Share up-to-date data
			with Energy Saving Trust (EST) twice a year
Survey non-	The Highland	Ongoing	Align with Energy Estate
domestic Council owned assets	Council		Workstream
Review of Energy Performance Certificate (EPC) Compliance	The Highland Council	Ongoing	To be agreed
Building Level			
Understand capacity for retrofit at scale and costings of repair works	The Highland Council	Ongoing	Review stock information for domestic and non- domestic Council buildings Establish accurate costing against buildings stock types Reduce fuel poverty rates through energy efficiency and heat
Identify building level delivery actions that will assist in a just transition within the Council's portfolio		Ongoing	Align asset management plans with LHEES Align the Community hubs projects to LHEES

Work with Historic Environment	The Highland Council	Short-term	largeted approach to historic building
Highland Team to			interventions developed
approach to			
historic building			
interventions			
Awareness and Eng	agement		
Ongoing engagement and collaboration with HAs and private rented sector	The Highland Council	Ongoing	Align the Council's and HAs retrofit plans to identify joint opportunities for heat decarbonisation
landlords (PRSLs)			Increase awareness of retrofit plans amongst PRSLs
Engage with	The Highland	Ongoing	Increase awareness of
community around	Council		the business community
heat			Understand large
			organisations heat
			decarbonisation plans to inform future LHEES
Engage with relevant stakeholders to identify areas of collaboration across mixed	The Highland Council	Ongoing	Align retrofit plans with multiple stakeholders to identify joint opportunities for heat decarbonisation
tenure properties that would provide an opportunity to decarbonise heat			Produce two case studies for mixed- tenure retrofit projects
Raise awareness and knowledge of LHEES	The Highland Council	Ongoing	Increased awareness and knowledge of heat decarbonisation and energy efficiency across the Highland communities through

			events and engagement sessions Collaborate with the Council's Net Zero Programme Communications and Engagement Plan
Adaptation	<u> </u>	<u> </u>	Lingugenienen an
Investigate and identify adaptation measures at building level	The Highland Council	Ongoing	Retrofit plans aligned with the Net Zero Programme Retrofit plans aligned with the draft Adaptation Strategy and Action Plan Integrate resilience and adaptation measures in planned retrofit works including but not limited to adequate ventilation, improved weathering detailing, regular and scheduled maintenance of fabric, roofline extensions
Engage with Highland Adapts to increase awareness of climate risks, resilience and adaptation Heat Networks	The Highland Council	Ongoing	Increased awareness and understanding of climate risks, resilience and adaptation measures amongst developers, suppliers and local community
Conduct fossibility	The Highland	Immodiate to	Alian with Not Zara
studies and beyond to explore heat network delivery model options	Council	Short-term	Align with Net Zero Delivery Workstream, Heat Networks Project

Ensure the new Local Development Plan use the LHEES heat network outputs	The Highland Council	Ongoing	Align with evidence gathering for preparation, consultation and publication of the new LDP
Engage with planners and other relevant stakeholders to discuss heat network potential and share best practices for future networks expansion	The Highland Council	Ongoing	Regular updates provided to the Planning Team on heat network development work Regular updates provided to relevant stakeholders on the heat network development work Engage with stakeholders who are interested in working with the Council to explore heat network potential
Request fuel data to support prioritisation of low carbon technologies and heat network analysis for delivery areas Support public sector organisations to discharge their duty to complete Building Assessment	The Highland Council The Highland Council	Immediate to Short-term Ongoing	Align with Net Zero Delivery Workstream, Heat Networks Project To be agreed
Reports (BAR) Engage with	The Highland	Immediate to	Align with Net Zero
stakeholders to	Council	Short-term	Delivery Workstream,

gather data and building information to investigate suitability for heat network connections and source potential			Heat Networks Project activity
Participate in the Danish-Scottish District Heating Mentoring Programme	The Highland Council	Short-term	Programme completed by the end of 2024
Engage with other LAs for collaboration opportunities and best practises regarding heat network development	The Highland Council	Immediate to Short-term	Engage with individual LAs to share knowledge and lessons learned Engage with LAs that received Strategic Heat Network Support via the Strategic Heat Network Support Forum
LHEES Admin			
Update and revise the Strategy	The Highland Council	Ongoing	The Strategy updated and published every 5 years
Update and revise the Delivery Plan annually	The Highland Council	Ongoing	The Delivery Plan updated
Report to the Climate Change Committee on the LHEES Delivery Plan progress	The Highland Council	Ongoing	Progress against the Strategy and Delivery Plan reported to the Climate Change Committee so Members are given the opportunity to review and scrutinise
Update and revise delivery actions and progress	The Highland Council	Ongoing	Actions are kept up-to date

			Monitoring report updated
Refresh LHEES Working Group to support delivery	The Highland Council	Ongoing	Group refreshed to meet frequently to support LHEES delivery
Align with the Net Zero Programme delivery	The Highland Council	Ongoing	Align with the Net Zero Programme delivery

6 Impact Assessment

Measadh Buaidh

The Council has considered several impact assessments to support the development of the LHEES and Delivery Plan:

- Climate Change Impact Assessment
- Child Rights and Wellbeing Impact Assessment
- Island Communities Impact Assessment
- Equality Impact Assessment
- Rural Impact Assessment
- Poverty Impact Assessment
- Data Protection Impact Assessment
- Strategic Environmental Assessment (SEA)

Since the Council published its first iteration of the LHEES and Delivery Plan in December 2023, an Integrated Impact Assessment (IIA) has been developed to replace existing individual impact assessments.

A potential site-specific impact at strategic zones and delivery areas will be assessed at the subsequent detailed planning and implementation stage, where required, before any proposals are finalised.

The strategic designation and review of Heat Network Zones will be subject to appropriate levels of assessment, against the requirements of the Environmental Assessment (Scotland) Act 2005 and as required under separate duties in the Heat Network (Scotland) Act 2021.

7 Governance, Monitoring and Evaluation

Riaghlachas, Sgrùdadh agus Luachadh

Progress against the LHEES Delivery Plan will be reported to the Climate Change Committee and the Housing and Property Committee frequently so Members are given the opportunity to review and scrutinise.

Projects delivered under Energy Efficiency Homes, including EES:ABS are reported quarterly to the Scottish Government, EST and SSE Renewables.

For Highland Council's domestic properties, performance and budget monitoring takes place every month at the HRA Capital Board. HRA capital monitoring reports to up to five Strategic Committees each calendar year. The Council reports to Scottish Housing Regulator on compliance with Scottish Housing Quality annually.

Our Future Highland Delivery Plan 2024-2027 portfolios are sponsored by an Assistant Chief Executive and led by a Chief Officer of the Council. They are governed by a Strategic Portfolio Board which meets every 6 weeks. Portfolio reporting cycle can be found in Our Future Highland Delivery Plan 2024-2027.

The Monitoring and Evaluation Plan (MEP) covers progress related activities listed in this Delivery Plan. Each activity within the Delivery Plan will use the same reporting methods to provide sufficient detail going forward. Progress will be monitored through a single reporting platform which will be delivered by the Council's Performance and Risk Management System (PRMS).

8 Future of the Delivery Plan

Àm ri Teachd a' Phlana Lìbhrigidh

The LHEES Delivery Plan is a 5-year plan which will be periodically updated. The current plan will cover 2024-2028 delivery. The next Delivery Plan is scheduled to be published no later than December 2028.

Glossary

Clàr-mìneachaidh

Abbreviat	ions		
ASHP	Air Source Heat Pump	PPA	Power Purchase Agreement
BAR	Building Assessment Report	PSG	Project Steering Group
CNPA	Cairngorm National Park Authority	PRSL	Private Rented Sector Landlord
DNO	District Heating Operator	RSL	Registered Social Landlord
ECO	Energy Company Obligation	SAMP	Strategic Asset Management Plan
EES:ABS	Energy Efficient Scotland: Area Based Scheme	SEA	Strategic Environmental Assessment
EESSH	Energy Efficiency Standard for Social Husing	SEP	Stakeholder Engagement Plan
EPC	Energy Performance Certificate	SFT	Scottish Futures Trust
EST	Energy Saving Trust	SHNZS	Social Housing Net Zero Standard
EV	Electric Vehicle	SHNZF	Social Housing Net Zero Fund
HRA	Housing Revenue Account	Solar PV	Solar Photovoltaic
LDP	Local Development Plan	SSE	Scottish and Southern Energy
LENZA	Local Energy Net Zero Accelerator	SSEN	Scottish and Southern Energy Networks
LHEES	Local Heat and Energy Efficiency Strategy	UK	United Kingdom
LPP	Local Place Plan	zws	Zero Waste Scotland
MEP	Monitoring and Evaluation Plan		
NHS	National Health Service		
NPF	National Planning Framework		

Appendices

Eàrr-ràdhan

Appendix A - Delivery Mechanism

An Influence/ Interest Matrix has been used to map stakeholders within the Council's locality. This gives a clear picture of the level of engagement required for each stakeholder throughout the delivery stage and highlights who the high-priority stakeholders are. **Figure 4** indicates there are 24 tier 1 stakeholders highlighted for further engagement as part of this process.



Figure 4 - The Influence/Interest Matrix for Tier 1

TIER 1 – Part of Project Steering Group (PSG). Ongoing engagement throughout the project at defined workshops e.g. identifying priorities and for delivery. Specific engagement plans developed as required.

Each engagement group has been categorised based on similarities in their interest relating to LHEES.

Local Councils stakeholders include:

- Aberdeenshire Council
- Aberdeen City Council
- Moray Council
- Argyll and Bute Council
- Perth and Kinross Council
- Cairngorms National Park Authority

The joint procurement strategy agreed between Highland, Aberdeenshire, and Aberdeen City Councils is intended to clearly outline the procurement and commercial priorities from 2023 to 2026 for the partners to the Commercial and Procurement Shared Service, taking account of the local ambitions and priorities for each partner. This provides a strong opportunity for collaboration and alignment of approach across the three partner local authorities.

Argyl and Bute and Perth and Kinross have been highlighted as additional local authorities with scope for potential collaboration on strategies/ LHEES Delivery Plan objectives. These local authorities do not have the same joint procurement strategy, however due to geographical adjacencies, there is a potential opportunity for shared workforce and potentially unlocking the economies of scale associated.

Currently, most of the engagement is completed via the LHEES Governance & Oversight Group run by Hub North Scotland Limited. Perth and Kinross Council is the only Council which is not included in the Group hence additional engagement will need to take place.

Registered Social Landlords (RSLs) stakeholders include:

- Cairn Housing Associations
- Albyn Housing Associations
- Skye & Lochalsh Housing Association
- Lochaber Housing Association
- Caledonia Housing Association

Partnership Organisations stakeholders include, but not limited to:

- Focus North
- Highland Adapts
- Hub North Scotland Limited
- Highland and Islands Enterprise

Partnership can provide support on collaborative projects between the public sector, local government, industry and academia. Utilising their contacts and bringing relevant stakeholders together to discuss LHEES proposals will be key in the transition from strategy documents to delivering projects around the Highlands.

Utility Companies stakeholders include, but not limited to:

- SSEN
- Scottish Gas
- Scottish Water

To understand the opportunities and constraints across strategic zones and delivery areas, ongoing engagement and collaboration with DNO and local utility companies (including existing district heating networks) is essential. Input and data from utility companies should build a picture of opportunities, constraints, challenges and any need for further discussion and input from the utility companies.

Heat Network stakeholders include, but not limited to:

- Highlife Highland
- NHS Highland
- SSEN
- HMP Highland
- Housing Associations
- Commercial Offtakes such as Bairds Malt, Black Isle Brewery and Lifescan

Collaboration through activities listed to support heat network development in the Highland Councill area.

Appendix B - Ongoing Investigations for Heat Network Potential

Delivery Area	Location	Ward Area	Activity	Status
Caithness	Pulteneytown, Wick	Wick and East Caithness	Connect the Council's social housing stock to existing district heating network	The initial phases of expansion are effectively complete now. Future expansion opportunities will be considered
Inverness	Inverness city	Inverness all	Understand potential and the scale to make the Inverness heat network project viable	Feasibility
Caithness	Ormlie, Thurso	Thurso and Northwest Caithness	Investigate the possibility for low carbon heat on a communal scale across Ormlie area of Thurso	Feasibility
Inverness	Inverness city	Inverness Central	Build a sustainable Energy Centre to supply renewable energy to Castle and Inverness Town House	Under development
Inverness	Inverness city	Inverness Millburn	Determine potential for energy from waste facility at Inverness Waste Transfer Station	Pre-application

 Table 5 - Ongoing Investigations



Appendix 2.

Local Heat and Energy Efficiency Strategy Delivery Plan

Ro-innleachd Èifeachdas Teasa agus Lùtha Ionadail Plana Lìbhrigidh

Accompanying the Highland Council Local Heat and Energy Efficiency Strategy (LHEES) is a Delivery Plan, enabling the Council and partners to work towards delivery of the changes identified in the Strategy.

This Plan notes projects in relation to:

- building level heat decarbonisation and energy efficiency delivery areas.
- the potential zones that present theoretical and technical potential only at a strategic level, prior to any site level feasibility study alongside funding availability to progress them. Existing infrastructure, constraints and Local Development Plan (LDP) allocations have given the Council the opportunity to understand how these zones could be further developed, considering heat source opportunities, proximity to existing networks and local development sites.

Original version	Author	Note	Date
1.0	RB	Original Delivery Plan	14/12/2023
Revisions	;		
2.0	RB	Revised Delivery Plan	03/10/2024

Abbreviations

ASHP	Air Source Heat Pump
BAR	Building Assessment Report
CNPA	Cairngorm National Park Authority
DNO	District Heating Operator
ECO	Energy Company Obligation
EES:ABS	Energy Efficient Scotland: Area Based Scheme
EESSH	Energy Efficiency Standard for Social Housing
EST	Energy Saving Trust
EV	Electric Vehicle
ННР	High Heat Production
HRA	Housing Revenue Account
LDP	Local Development Plan
LENZA	Local Energy Net Zero Accelerator
LHEES	Local Heat and Energy Efficiency Strategy
LPP	Local Place Plan
MEP	Monitoring and Evaluation Plan
NHS	National Health Service
NPF	National Planning Framework

PPA	Power Purchase Agreement
PSG	Project Steering Group
PRSL	Private Rented Sector Landlord
RSL	Registered Social Landlord
SAMP	Strategic Asset Management Plan
SEA	Strategic Environmental Assessment
SEP	Stakeholder Engagement Plan
SFT	Scottish Futures Trust
SHNZS	Social Housing Net Zero Standard
SHNZF	Social Housing Net Zero Fund
Solar PV	Solar Photovoltaic
SSE	Scottish and Southern Energy
SSEN	Scottish and Southern Energy Networks
UK	United Kingdom
ZWS	Zero Waste Scotland

Heat Network Delivery Areas: Opportunity Summary

Local Development Plans Links and Policy Extract

Inner Moray Firth Local Development Plan 2 – adopted July 2024.

Policy 1 (Low and Zero Carbon Development):

For proposals with space heating needs which are located within areas identified by the Council as a Heat Network Zone (included within the Low and Zero Carbon Development Guidance):

- All developments will be required to connect to an existing heat network where available. Where one does not already exist, Major Developments will be encouraged to create a new heat network.
- Where applications can demonstrate that connection to a heat network is not viable as part of the development, the proposal will need to be future proofed to allow connections to heat networks when one becomes available. In such cases an agreed network design will be required.
- Where the applicant can demonstrate that connection to a heat network is neither viable nor the most appropriate heating solution, both as part of the development and likely in the future, alternative low and zero carbon emitting heat arrangements will be required.

Outwith Heat Network Zones, developers are encouraged to consider the creation of or connection to existing heat networks as a means of heating system.

West Highland and Islands Local Development Plan – adopted 2019 National Planning.

National Planning Framework 4 – adopted February 2023 – no specific policy.

Heat and cooling

Local Development Plans: LDPs should take into account the area's Local Heat & Energy Efficiency Strategy. The spatial strategy should take into account areas of heat network potential and any designated Heat Network Zones.

Policy 19:

- a) Development proposals within or adjacent to a Heat Network Zone identified in a LDP will only be supported where they are designed and constructed to connect to the existing heat network.
- b) Proposals for retrofitting a connection to a heat network will be supported.
- c) Where a heat network is planned but not yet in place, development proposals will only be supported where they are designed and constructed to allow for costeffective connection at a later date.
- d) National and major developments that will generate waste or surplus heat and which are located in areas of heat demand, will be supported providing wider considerations, including residential amenity, are not adversely impacted. A Heat and Power Plan should demonstrate how energy recovered from the development will be used to produce electricity and heat.
- e) Development proposals for energy infrastructure will be supported where they:
- i. repurpose former fossil fuel infrastructure for the production or handling of low carbon energy;
- ii. are within or adjacent to a Heat Network Zone; and
- iii. can be cost-effectively linked to an existing or planned heat network.

Cluster location: Invergordon

Opportunity summary:

- Zone location: Invergordon Academy and Invergordon Sports Centre.
- 2 anchor loads identified in the 500 kWh/m/yr LHD zone.
- Combined heat demand is 2,391 MWh/yr.
- No existing heat networks.
- Nearby public and private buildings: Invergordon Museum.
- Constraints: no major roads (minor constraint), no rivers but there is a railway cutting through south-east of the cluster (minor constraint). It does not bisect groups of high heat demand buildings.

GHiGS:

- Number of green spaces: 15.
- Total area of green spaces (m2): 15,001.

Resources:

- High Heat Production (HHP) Granites: Area that may overlie buried HHP granite. It has potential for deep geothermal energy.
- Hot Sedimentary Aquifer: Moderately productive aquifer in which flow is virtually all through fractures and other discontinuities.
- National Atmospheric Emissions Inventory (NAEI) large emitters: Four sites within 300m from the cluster.
- Scottish Environment Protection Agency (SEPA) waste: One site within 500m from the cluster.
- Waterbodies: Not present.



LDP Extract and Allocations:

• Inner Moray Firth LDP 2 (IMF2LDP) and Delivery Programme

IG01: Cromlet – Housing Site - Area: 4.3 ha Indicative housing capacity: 93 – has planning permission 21/03683/PIP.

IG02: Invergordon Mains – Housing Site - Area: 22.8 ha; Indicative housing capacity: 100 (400 total).

IG04: Disused fuel tank farm – Mixed Use Site (Housing, Community, Business, Industry) Area: 22.6 ha; Indicative housing capacity: 45.

Cluster location: Dingwall 1

Opportunity summary:

- Zone location: Dingwall Academy and Highland Council Tecs Depot.
- 2 anchor loads identified in the 500 kWh/m/yr LHD zone.
- Combined heat demand is 2,678 MWh/yr.
- No existing heat networks.
- Nearby public and private buildings: Tesco Superstore.
- Constraints: A862 bisects groups of buildings and anchor loads (major constraint), river Peffery cuts through the cluster but it does not bisect groups of buildings or anchor loads (minor constraint). There is a railway that cuts through the cluster and bisects groups of buildings and anchor loads.

GHiGS:

- Number of green spaces: 16
- Total area of green spaces (m2): 859.

Resources:

- HHP Granites: Area that may overlie buried HHP granite. It has potential for deep geothermal energy.
- Hot Sedimentary Aquifer: Moderately productive aquifer in which flow is virtually all through fractures and other discontinuities.
- NAEI large emitters: Not present.
- SEPA waste: Not present.
- Waterbodies: Not present.



LDP Extract and Allocations:

• Inner Moray Firth LDP 2 (IMF2LDP) and Delivery Programme

DW05: Dingwall Riverside (North). Use(s): Business, Industry, Community; Area: 7.9 ha.

DW06: Dingwall Riverside (South). Use(s): Business, Retail, Community Area: 2.4 ha.

DW07: Craig Road – Community Use Area: 8.9 ha.

Cluster location: Inverness 1

Opportunity summary:

- Zone location: Inverness High School and the Highland Council Headquarters.
- 2 anchor loads identified in the 500 kWh/m/yr LHD zone.
- Combined heat demand is 1,645 MWh/yr.
- Interacts with 8 existing heat networks.
- Nearby public and private buildings: Highland Hospice, Leisure Centre and Ice Centre.
- Constraints: A82 cuts through the cluster and bisects groups of buildings and anchor loads (major constraint), no rivers or railways.

GHiGS:

- Number of green spaces: 16.
- Total area of green spaces (m2): 2,752.

Resources:

- HHP Granites: Area that may overlie buried HHP granite. It has potential for deep geothermal energy.
- Hot Sedimentary Aquifer: Moderately productive aquifer in which flow is virtually all through fractures and other discontinuities.
- NAEI large emitters: Not present.
- SEPA waste: Not present.
- Waterbodies: Not present.



LDP Extract and Allocations:

• Inner Moray Firth LDP 2 (IMF2LDP) and Delivery Programme

INW13: East of Dochfour Drive – Community Use- Area: 1.1ha.

Building Level Heat Decarbonisation and Energy Efficiency Delivery Areas: Opportunity Summary

Project location: Caol, Fort William

Opportunity summary:

- Lead: Climate Change and Energy Team.
- Project title: Swedish timber whole house retrofit.
- **Project description:** Swedish Timber properties were built 1945 to 195? Properties have little insulation and have previously classed as 'hard to treat'. There is 98 domestic Swedish Timber properties (mixed tenure) in Caol, properties are terraced or semi-detached. Pre-existing heating systems are oil, electricity and solid fuels. Roofs are to be replaced as contain asbestos material.
- Delivery timescale: June 2024 July 2025.



Multi-funded project:

- ECO all tenures.
- SSE Renewables privately owned & privately rented.
- EES:ABS privately owned & privately rented.
- HRA Capital Budget Council properties.

Multi-tenure:

- Local authority 32.
- Owner occupier 61.
- Privately rented 5.

Recommended measures:



Project location: Balintore, Tain

Opportunity summary:

- Lead: Climate Change and Energy Team.
- Project title: Balintore mixed tenure whole house retrofit.
- **Project description:** This project has been designed to be a multi-funded and multitenure project to 50 properties in Balintore (38 Council houses and 12 privates).Properties are timber construction, built in the 1970's, properties are terraced or semi-detached.

The main fuel type is electricity.

The project is 60% externally funded for Council properties.

• Delivery timescale: July 2024 – June 2025.



Multi-funded project:

- ECO all tenures.
- SSE Renewables privately owned & privately rented.
- EES:ABS privately owned & privately rented.
- HRA Capital Budget Council properties.

Multi-tenure:

- Local Authority 38.
- Owner Occupier 12.

Recommended measures:



Project location: Ross and Cromarty

Opportunity summary:

- Lead: Climate Change and Energy Team.
- Project title: GBIS Council Housing Project.
- **Project description:** The Climate Change and Energy Team is currently targeting Council owned properties to deliver cavity wall insulation (CWI) through GBIS. This is a Highland-wide initiative, initially targeting Tain, Balintore, Conon Bridge, Maryburgh, Dingwall and Ullapool.

Additionally, ventilation upgrades will be undertaken (where required) and a 25-year guarantee will be provided upon completion of every CWI install.

• **Delivery timescale:** To be confirmed.



Recommended measures:

Funding:

• Great British Insulation Scheme (GBIS).

Tenure:

• Local authority – Council-wide.

