

The Scottish Government's Consultation on the Draft Energy Strategy COSLA Response

Introduction

1. As a result of local government elections in May 2017 and the subsequent change of political administration in COSLA, presented below is an officer response that draws on established political considerations and our recent response to the Scottish Government's draft Climate Change Plan. Our response identifies a number of key issues, which a new COSLA political administration may wish to take further.
2. We welcome the opportunity to respond to the Scottish Government's Draft Energy Strategy and the ambitions it sets for Scotland. We see this as an **important opportunity to explore the potential and practicalities of taking these ambitions forward, and to develop a much fuller discussion** within the local government community, as well as with the Scottish Government and stakeholders.
3. COSLA has already signalled its full support for the ambitions set out in the draft Climate Change Plan (CCP). The comprehensive and whole-system view presented in the Energy Strategy provides the opportunity, and a valuable mechanism, to now develop concrete policies and actions in order to make significant progress in Scotland, and **to make Scotland an important part of the European and global forum combatting Climate Change**.
4. Many local authorities are already fully engaged in this process, for example as part of the Covenant of Mayors, or through a comprehensive range of European networks and projects such as CEMR, Eurocities or Interreg, to name but a few. Even with Brexit going ahead, any policy and legislation in Scotland needs to link effectively with the European framework, in which the energy sector operates.
5. The most relevant aspects for local government in the Draft Energy Strategy are around:
 - i. the Scottish Energy Efficiency Programme (**SEEP**) as the key implementation platform for reducing energy demand;
 - ii. the proposed Local Heat and Energy Efficiency Strategies (**LHEES**) as the key public planning platform for reducing energy demand, making more efficient use of existing supply and decarbonising new supply;
 - iii. the opportunity for local authorities to become more strongly involved in **fostering community energy schemes** and more directly involved in the supply of energy (**municipal energy companies**).
6. COSLA has submitted detailed comments on the two separate Scottish Government consultations on SEEP and LHEES. Both are broadly welcoming of the proposed instruments here, and COSLA has been working with the Scottish Government on the design and focus of the new SEEP programme for a number of years now.

Key Messages

7. The size of the task laid out in the strategy and the volume of financial investment required has sometimes been labelled as the 'biggest public sector investment challenge'. Given the need for positive and early action, in order to meet the ambitious timescales proposed

in the strategy, it is essential that that there is a **tight alignment of resources between all key stakeholders, local flexibility and long term financial security.**

8. The task proposed for local government in the draft Strategy is substantial. It is therefore particularly important that there is a meaningful **partnership between local and national government, as the two bodies with a political mandate in Scotland**, to ensure that any new action/policies/legislation have the fullest and **broadest democratic base and citizen buy-in**. Any governance structures need to reflect this.
9. Meeting the ambitions of the draft Energy Strategy requires significant institutional change and intervention in a short period of time. The **political support from local government will be critical to success here** as this, along with a clear focus on technical advance, typically achieves major change.
10. Political commitment is furthermore crucial to achieving the buy-in and **alignment of local authorities' own thematic policies and strategies** from a broad range of departments, spanning functions such as planning, housing, transport, property services, sustainability community services and procurement. Given the importance of local community engagement and ownership of the process, which is reflected in the Energy Strategy, refreshing such strategies can take a number of years.
11. Local authorities' economic/business/skills development functions play an important role in ensuring that the size of investment in Scotland over the next 10-20 years will bring **sustainable economic progress** to our local areas, by supporting the development of the relevant skills base and supporting businesses to cooperate with or compete effectively with larger multi-national companies.
12. COSLA's response to the CCP called for more ambitious targets in the transport sector. Following this, we believe that the Energy Strategy should map out **more significant progress in the transport sector**.
13. Elected members may wish to consider, based on local policy of councils, an **increased role for local authorities in a new Scottish energy supply system**. Examples of municipal energy companies such as in Sweden, Denmark and parts of the UK could be of relevance here.
14. Committed to the principles of local democracy and community action, members may also wish to explore a more formal and strategic **role for local authorities in facilitating community/local ownership of renewable energy sources**, to ensure that greater financial benefit is retained in communities. Local authorities can potentially provide important skills and resources, such as technical expertise, project development, finance and political support. This topic requires further exploration, not least to determine which types of renewable schemes would lend themselves to such an approach.
15. Certain policy goals would be more effectively achieved by setting clear new standards. In the Scottish Parliament's round table consideration of the Energy Strategy, the need for more energy efficient building **standards for new build**, in line with many European countries, was put forward, to ensure that costly retrofit is kept to a minimum. COSLA has also previously supported **higher energy efficiency standards for existing buildings**, to contribute to the reduction of fuel poverty and carbon emissions.

Resources

16. The scale of the ambition outlined in the strategy requires **dedicated, long-term strategic investment in critical infrastructure**. This will not be achievable without the allocation of substantial resources.

17. The role of and expectations on local authorities are considerable. **Local government, if it is to play a full part, needs long term security over funding, as well as flexibility over how this money is invested and what it is focussed on.**
18. This cannot be done on a year by year basis, or even in the horizon of annual spending reviews, given that planning is required for the best part of a decade and a half. Short-term and annual funding mechanisms are not good value for money and will not achieve the scale of change required. Instead, with long term dedicated resource commitments for local authorities in place, these can be **matched with local resource allocations.**
19. Given that some of the technical solutions proposed in the strategy do not yet exist (hydrogen for heating for example), it is **essential that the Scottish Government sets out a clear roadmap**, setting timeframes, decision points for the introduction of new technologies and long term objectives. This will allow local authorities to determine their own best resource allocation, to prepare for technological change in years to come.
20. COSLA is open to putting forward a case for strong and early engagement by local government, given dedicated resources and effective funding mechanisms, especially with regard to early delivery through the Scottish Energy Efficiency Programme (SEEP) and the Local Heat and Energy Efficiency Strategies (LHEES). In both cases, strong partnership can identify national and local priorities, foster exchange of experience and cross-testing potential approaches/solutions and ensure cutting-edge progress across Scotland.
21. A positive and more detailed COSLA response to the specific consultations on SEEP and LHEES has been submitted separately. It focuses on early engagement, strong partnership and effective alignment of policy objectives.

Other Observations

22. Early discussion with a range of professional associations and practitioners have identified more specific/technical issues, summarised below.
23. While local government is keen to further explore the potential of District Heating schemes, there is a growing awareness of its limitations. There is a need to explore relevant alternatives, to ensure more even access to improved energy supply across Scotland. Lessons from the roll-out of District Heating schemes in Sweden, Denmark and Germany need to be tested for the significantly differing Scottish context.
24. There is strong agreement amongst local government professionals that any policy approach to energy efficiency needs to contain the 'fabric-first'/energy efficiency principle. This is more fully developed in our response to the LHEES consultation, but is worth highlighting here in the context of addressing the more challenging aspects of rolling out thermal power.
25. Lastly, it is imperative that any policies designed to foster carbon reduction are checked for unintended and negative other, especially negative environmental impacts. The roll-out of substantial energy efficiency programmes which fosters, through the funding frameworks, the increased use of certain insulation materials is one example here, where long-term impacts such as pollutant run-off into rivers, or new challenges for the circular economy and waste reduction, need to be considered earlier on.
26. We look forward to taking the Government's draft Energy Strategy to the new COSLA administration and commencing early and meaningful engagement with the Scottish Government and key stakeholders.

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