

## COSLA SEEP Consultation Response

### Introduction

Local authorities play a lead role in tackling climate change and fuel poverty by improving energy efficiency in domestic and non-domestic buildings and through on-going engagement with our communities. COSLA welcomes SEEP and hopes to continue working closely with the Scottish Government in the design, development and delivery of the programme. We hope to convey a message that Local Government is not only willing to play a lead role in SEEP but that our involvement as partners is key to the success of the programme.

COSLA elected members have agreed the following key points to be reflected in our response to this consultation. The detailed responses to each question have been developed by officers (including liaison with colleagues at Trading Standards Scotland) and members of the COSLA SEEP Reference Group.

- 1. Local Government is fully supportive of this agenda and should take a lead role in design, planning and delivery of SEEP.** As partners in the governance of Scotland and given councils' role as the strategic housing authority, our leading role in community planning and our knowledge of local community need should place us at the heart of SEEP.
- 2. There is a balance to be found between decarbonisation and reducing energy consumption and fuel poverty.** Although the proposals, as they are set out in the consultation, do well to address both issues, decarbonisation and fuel poverty agendas tend to work in tension and the overlap on these can be limited. We hope the healthy balance within the consultation document continues into the delivery of SEEP in a way that maintains efforts to tackle fuel poverty.
- 3. The focus on integrating domestic and non-domestic projects is welcome within the consultation document but should not override successful existing domestic works.** COSLA welcomes the integrated approach and sees the merit in a 'single vehicle' for abatement, however we would caution against focusing on integration at the expense of successful domestic-focused programmes, such as HEEPS: Area Based Schemes (ABS). It should also be noted that integrated technologies such as district heating schemes are likely to be less viable in rural areas.
- 4. SEEP resources must be used as efficiently as possible.** Already successful elements of Scottish Government funding – in particular HEEPS: ABS – should be preserved and we would like to explore the notion of mainstreaming an element of the funding to enable all councils to participate in SEEP. We are aware that multi-year funding would be crucial in order to allow councils to plan thoroughly as but, perhaps more importantly, to avoid having to pay over the odds as a result of within-year spending restrictions. Similarly, we welcome the Scottish Government's clear message that the private sector must contribute to this agenda.
- 5. Local Heat and Energy Efficiency Strategies (LHEES) should be considered as part of the SEEP agenda in a holistic, integrated approach to tackling climate change and fuel poverty strategically at a local and national level.** If resourced

properly, these could be a means of driving the climate change agenda at a local level, while at the same time providing accountability to local communities. This would also support the 'whole system approach' and long-term consistency and confidence advocated in the consultation document.

6. **The consultation includes a questions about whether objectives should be supported by 'mandatory action' or 'freedom and flexibility' and 'centralised design and delivery' vs 'local design and delivery'**. COSLA has expressed in-principle opposition to any mandatory measures although COSLA is open to exploring the potential benefits of LHEES and scoping out what resources would be required to implement them effectively. We believe a balance should be struck within these two dichotomies, perhaps by ensuring that firm commitments from Local Government are met with mainstreamed funding which can be aligned to local need.
7. **Financial incentives (suggested in the draft proposals) may have a place in bringing about a cultural shift towards wider energy efficiency across all sectors.** However we need to be clear that financial incentives require a strong commitment to ensuring these are properly funded. We would need to understand fully any thinking about using Council Tax or rates relief as a funding mechanism. We need to be clear that Council Tax is a local tax and any proposals around incentives should be determined locally. We would therefore be seeking a close partnership approach in considering any proposals around use of Council Tax or rates relief as an incentive tool.
8. Together with other partners, the Scottish Government should, through SEEP, agree a **strategic approach to the aspects of energy efficiency that are being devolved from Westminster**. Work to develop a low carbon economy and skills relevant to this all need to be internally and externally co-ordinated with oversight and planning between the relevant departments of Scottish Government and other partner agencies.

### Our vision for SEEP

These key points can be distilled into the following vision for SEEP which we hope the Scottish Government will share:

*Local Government should be the lead strategic partner in planning and delivering work at a local level to minimise energy loss, decarbonise energy production and make more efficient use of domestic and non-domestic buildings. The environmental, social and economic benefits of this work should be widely felt by individuals, families and communities.*

*As leaders of those communities, councils – with their local partners – should be supported to encourage the required behavioural changes, and to ensure that physical interventions have the maximum benefit. This local leadership must be supported at a national level by a strategic, joined up approach between COSLA and Scottish Government with a focus on outcomes rather than input measures. In order to achieve this, local authorities require appropriate flexibility and funding to deliver SEEP in a way that suits individual communities.*

*Agreement to a national programme with nationally agreed priorities and standards should enable bold and creative solutions to be explored by local partners including re-engagement of municipal government as a supporter of local energy supplies.*

This vision provides a strategic underpinning to the detailed consultation question responses below and will inform our representations in negotiating the Local Government contribution to SEEP delivery and design.

### **SEEP Consultation questions**

**1. Thinking about current Government schemes and the delivery landscape, we would welcome stakeholders' views on: what currently works well, including aspects of existing schemes that should be retained? what are the main delivery challenges faced at present and how might these be overcome?**

There is much that should be retained from existing schemes and the HEEPS Area Based Schemes are a particular example of success. Key to this success has been the lead role played by local authorities and the reliability of HEEPS:ABS funding allowing councils to plan ahead. We feel that for SEEP to be successful, the local authority should continue to be the lead delivery partner. This will enable delivery to be tailored to local needs and add a vital element of local democratic accountability to SEEP delivery. Councils' unique knowledge of their communities and local area places them well to be the main conduit for SEEP funding in the way HEEPS:ABS funding is delivered.

Once the full programme is rolled out, SEEP must be supported by sustainable, multi-year funding allocated to local areas according to need and taking into consideration geography and demography. Any form of request for spending plans to be submitted to Scottish Government should avoid being onerous or overly bureaucratic and conditions on how SEEP funds are spent should be minimal and flexible enough to allow efficient use. The fact that rural areas may not have the mix of buildings to facilitate such schemes should be considered within any funding framework too. It should also be recognised that multi-year funding is necessary to allow strategic planning (such as through the proposed Local Heat and Energy Strategies) to be meaningful.

While we await the evaluations of SEEP phase 1 and 2 pilots, it is clear that some benefits and challenges have surfaced throughout the process. For example, the focus on schemes integrating domestic and non-domestic work has encouraged collaborative work between a variety of partners and local authority departments, however this should not preclude wholly domestic or wholly non-domestic work being eligible for funding.

We also acknowledge strong anecdotal evidence that an emerging skills gap creates delivery challenges. This includes relevant construction skills to install modern solutions (particularly among smaller, local firms) but also the relevant planning and strategic skills required to develop and lead area-based, integrated approaches to improving energy efficiency and decarbonising buildings. Councils would welcome investment in these skills.

**2. How can Scotland best meet this vision and underpinning objectives in a way that is both socially and economically sustainable and supports long-term inclusive growth?**

We agree that SEEP should be seen as a means to supporting long-term inclusive growth and local economic development and as such we would wish to reflect COSLA's agreed positions in relation to the Commission on Strengthening Local Democracy, and the Smith Commission with inclusive growth at their core in our aspirations for SEEP as well. Likewise, COSLA's response to the Smith Commission outlined the need for the use of the socio-economic duty in the Equalities Act 2010 and we agree with the Scottish Government's aspiration to require all public bodies to evaluate their policies against the duty to reduce inequalities.

There are a number of important contributing factors in meeting the vision and objectives in a way that is both social and economically sustainable and supports long-term inclusive growth. Importantly, we welcome the Scottish Government's recognition of the potential economic benefits of SEEP and we hope to work with Scottish Government and others to ensure these economic benefits are felt locally. This can take the form of tackling fuel poverty – which helps to tackle wider inequalities (see *Shifting the Curve*, 2016), improves health outcomes and enables people to spend more money in their local area – or providing jobs and developing employability skills in a local area. We would welcome further exploration of how investment in skills can best contribute to local economic development opportunities and for the benefits to be harnessed.

It is also important that 'non-physical' work is funded through SEEP to provide solid foundations for it to be a socially and economically sustainable. For example, investment in planning and mapping at a local level (e.g. through LHEES) will provide medium and long term strategic focus to SEEP delivery. Similarly, SEEP should look to deliver societal behaviour change as part of the 'non-physical' contribution. Behaviour change will help to (i) make SEEP 'socially sustainable' by normalising positive attitudes towards energy efficiency and climate change-related work, and (ii) 'economically sustainable' by ensuring energy efficiency measures are taken advantage of and fuel bills are cut.

We would welcome a conversation with Scottish Government and other partners on the idea of municipalisation of the energy supply which has been pursued in Europe and has delivered economic and social benefits to local communities.

### **3. We would welcome stakeholders' views on how to set appropriate milestones for energy efficiency improvement and heat decarbonisation of buildings to ensure that the level of emissions reduction ambition (i.e. near-zero carbon buildings) is achieved.**

While national indicators of progress are important, it is essential that any 'milestones' are useful at a practical level and can inform local work (e.g. within LHEES). Milestones and any associated indicators will be a vital tool for management of the SEEP programme at a local level but should also enable transparency and accountability so that public bodies can be held to account for their contribution to SEEP outcomes. They should be useful not only to national targets but also be meaningful to local areas in order to allow local communities to understand progress in their area and also to enable local partner organisation to understand the contribution to local and national outcomes.

Monitoring and data collection should enable local partners to target services to those who are in most need, areas where most energy is wasted and to communities most at risk of fuel poverty. Support from an existing or newly established national organisation in gathering and analysing data would be welcome.

We firmly believe it is important that any milestones should give equal priority to both environmental *and* socioeconomic considerations. That is to say, the programme should seek to tackle fuel poverty as well as carbon emissions and to recognise that these two dichotomies are not mutually exclusive.

### **4. How might regulation and standards be used most effectively across the different sectors and when should they be applied across the lifetime of the programme?**

We recognise there is an appetite for regulation in some areas of SEEP and believe it is important to distinguish between the different forms and purposes of regulation that exist.

COSLA responded separately on the proposals to regulate for LHEES and District Heating, making it clear that we do not support mandatory duties being placed on local authorities in this regard. We may, however, be more receptive to 'enabling' regulations which might give more confidence to investors in innovative technology such as District Heating. Our concerns around regulation of energy efficiency in the private rented sector will be fed in to the separate consultation on this, however we do welcome the various aspects of energy efficiency being seen holistically within the wider umbrella of SEEP.

In answer to the question of 'when' regulations and standards should be applied, this depends on the readiness and capacity of regulators.

**5. What should be the trigger points for buildings to meet standards? Should this differ between domestic and non-domestic buildings, and if so, how?**

COSLA will respond to the consultation on regulation of energy efficiency in the private rented sector separately but we welcome the Scottish Government's interest in improving energy efficiency across sectors and tenures. In short, new tenancy agreements and points of sale would seem to be a sensible trigger point for requiring buildings to meet standards in the first instance while capacity to implement such standards remains low.

**6. What do you think are the benefits of using financial and fiscal incentives to support energy efficiency in domestic and non-domestic buildings? Please give examples, from Scotland or elsewhere, of where incentives have been used in this way to good effect.**

Clearly, financial incentives are a potential means to improving take-up of energy efficiency measures, however it should be recognised that these normally come at the expense of something else. For many, the most attractive incentive for both domestic and non-domestic owners or occupiers is reduced fuel prices, so the awareness-raising exercise required to elicit behaviour change should be seen as an important contribution to this. The fact that 'word of mouth' is the most common and trusted way for customers to build confidence in and appetite for energy efficiency / decarbonisation measures implies that this work should include a locally based element.

Incentives with a cost implication to the public purse should be targeted to those in most need or who are most vulnerable in keeping with Ministers' view that those who can pay, should. Funding arrangements, where possible, should not dictate the solution or constrain local flexibility. For work by the public sector, we are aware of the success of financial vehicles such as SALIX who offer loans to all agencies and organisations (including local government) subject to the Public Bodies Duties in the Climate Change (Scotland) Act 2009.

We would need to understand fully any thinking about using Council Tax or rates relief as a funding mechanism. We need to be clear that Council Tax is a local tax and any proposals around incentives should be determined locally. We would therefore be seeking a close partnership approach in considering any proposals around use of Council Tax or rates relief as an incentive tool.

**7. What is the best approach to assessing energy efficiency and heat decarbonisation improvements to buildings? How could existing approaches best be used or improved and at what level and scale (e.g. unit, building or area) should assessment be carried out?**

We recognise that EPC ratings are criticised by some, however there is value in having a common means against which to benchmark. In the context of our role as regulator or potential regulator, there is merit in being able to carry out assessments in a standardised fashion – EPC offers this regardless of its flaws.

An area-based approach to assessing energy efficiency and decarbonisation would be a useful contribution to local planning and would help to move performance measurement away from buildings-based intervention counts.

**8. How should the installation of energy efficiency improvements and lower carbon heat supply through SEEP be funded? In particular, where should the balance lie between grant funding and loans for homeowners, landlords and businesses?**

As a priority, COSLA's view is that SEEP will be delivered best if it is underpinned by long term funding which is assured to local communities through distribution to Local Government. The Scottish Government's £500m commitment over four years to delivering SEEP is welcome but should translate into a funding settlement that allows local authorities to plan area-based delivery beyond one year. As the success of HEEPS:ABS shows, delivery of energy efficiency measures are best funded on an area-based model which provides an assured level of funding for local authorities to deliver SEEP.

We recognise that a mixed approach to funding SEEP in order to allow all sectors and tenures to benefit from the fund is required and therefore the Scottish Government will reasonably wish to retain various methods of distribution including loans. Nevertheless, we strongly believe SEEP funding will be most effective if the main delivery route continues to be through the local authority.

**9. What is needed to encourage private investment in energy efficiency and heat decarbonisation, including the take-up of loans by a wider range of owners and occupiers?**

It is important that the energy efficiency and heat decarbonisation sectors are recognised for their potential to add value to the economy at a national and local level. In this context, the Scottish Government's designation of energy efficiency as a National Infrastructure Priority is welcome.

The take-up of loans by a wider range of owners and occupiers is something councils and local Community Planning Partnerships have a role in encouraging. Engagement and communication with communities is best done by or via local authorities. The evidence shows that word of mouth among customers is one of the most effective ways of bringing the public on board with energy efficiency – this is best done at a community level and we are aware of the valuable work by organisations such as Warm Homes Scotland and Home Energy Scotland to pursue this.

Trusted-trader schemes and similar initiatives help to encourage private investment and we also recognise the potential for standards and regulation to provide assurance to private providers. This can be reinforced by developing a SEEP 'brand' and an effective communications strategy.

**10. Of the current sources of finance which are currently available for energy efficiency and lower carbon heat supply, which are working well and which are not? Are there successful examples of attracting private sector finance to support energy efficiency improvements that could be explored? Are there any others which should be developed or made available?**

As noted above, the HEEPS:ABS model of funding has worked well and we would welcome a similar approach being taken to SEEP funding i.e. a distribution based on need which can provide adequate flexibility to deliver according to local requirements. The SALIX scheme has also been welcomed by many authorities and we would encourage further work by Scotland Excel in this area such as their recently agreed energy efficiency contractors framework.

#### **Advice and information**

**11. How do we ensure that householders and owners are well advised and supported in making decisions on how to improve the energy efficiency of their building and install lower carbon heat supply through SEEP?**

Councils already play a leading role in managing local trusted trader schemes and consumer protection through Trading Standards. These existing mechanisms can be used to ensure good quality products are delivered through SEEP and to inform the public of newer technologies / solutions. As mentioned above, this should be underpinned by a strong SEEP communications strategy.

As noted by Trading Standards Scotland (TSS), the problem of false or misleading marketing claims by rogue traders in the energy efficiency sector claiming government grants or other financial incentives are available for the products they are selling continues to be a problem. With the launch of SEEP, this practice is likely to continue and potentially become more prolific. If this is the case, it will undermine legitimate SEEP approved businesses, and consumer trust in the SEEP brand and the energy efficiency industry more broadly. It also has the potential to undermine the role of Home Energy Scotland (HES) / Energy Savings Trust (EST) and Resource Efficient Scotland (RES) as the first point of contact on the energy efficiency market.

In recognition of this issue TSS has designated the issue a national priority meaning resources are being prioritised to tackle it. False/misleading marketing is an offence under the Consumer Protection Regulations 2008 and TSS uses this and other legislation to address the misleading practice.

A key enabler for misleading marketing claims in relation to energy efficiency products is unsolicited marketing calls. These calls are also more prolific in Scotland and can typically amount to millions in a few weeks. TSS is working in partnership with the Information Commissioners Office to take action against perpetrators. A proactive multi-agency approach to tackle the issue is recommended in advance of the launch of SEEP.

**12. Are the current mechanisms for providing advice sufficient? What changes, if any, do you think are required?**

Whilst HES and RES may be providing excellent advice to consumers, we agree with TSS that there needs to be a robust awareness raising campaign particularly aimed at more vulnerable consumers to protect them from misinformation and signpost them to legitimate advice provision.

Councils as lead community planning partner are ideally placed to identify other opportunities for advice on energy efficiency to be mainstreamed into wider community engagement work (health visits, HMO licensing, etc., etc.)

As outlined in answer to previous questions, COSLA's view is that that non-physical work should be an important part of SEEP to complement physical measures by encouraging behavioural change and raising awareness of what is available to communities and individual households.

**13. What are the opportunities to link SEEP delivery with other initiatives, including the UK Government's smart meter rollout, so that we maximise the benefits for the people of Scotland?**

We welcome the Scottish Government's message that SEEP is an all-encompassing programme for national energy efficiency initiatives in Scotland. In this vein, devolution of the winter fuel allowance, smart meter roll-out and Ofgem's implementation of the CMA report findings should take cognisance of SEEP and fit in with the broad aims of the programme. Similarly, we strongly believe SEEP should not be treated separately to the wider work in Scotland around tackling fuel poverty (e.g. the work of the Fuel Poverty Forum).

The Scottish Government should work with other partners to identify opportunities to communicate SEEP and its potential benefits to consumers and to industry. Potential opportunities include: communication by energy companies, landlord registration, etc. The importance of this work suggests that SEEP delivery will benefit from an integrated and robust communications strategy. COSLA has been supportive of a recent increase in discourse linking health and housing outcomes e.g. the 2015 ScotPHN report 'Restoring the Public Health response to Homelessness in Scotland'. Links between health and housing and any related activity should be recognised by SEEP and taken advantage of where possible.

The roll out of smart-meters offers potential for large-scale engagement with customers, however we would caution that this places contractors in a very powerful and trusted position with customers. With this in mind Scottish Government should be vigilant against any firms who may take advantage of this for commercial gain.

**Consumer protection**

**14. How can SEEP be designed and promoted to build consumer confidence (as a trusted 'brand')? What are the risks and opportunities associated with particular approaches?**

The notion of developing the SEEP 'brand' is an important one and we hope significant effort can be put into building a reliable brand which consumers understand as legitimate and which can instil confidence in other economic partners. In this vein, would welcome a conversation about how an approved installers scheme might be developed.

For any business wishing to become an approved installer, there should be a rigorous vetting procedure which involves checks against Trading Standards and Police intelligence systems in order to tackle rogue traders who may target vulnerable customers and harm the SEEP brand. Police Scotland and local authority licensing boards are utilising a system of Intelligence Assessment Disclosures which enables licensing boards to consider intelligence held by the Police on individuals before granting them a licence. This is particularly useful as often those involved in or associated with organised crime will not have previous convictions however and the system allows those considering licensing applications to have a more

holistic picture of the applicant.

**15. Is there a tried and trusted form of consumer redress that should be adopted or, if not, what should such a mechanism look like?**

As reflected by TSS, there is no tried and trusted form of consumer redress that would automatically fit with SEEP, however lessons can be learned from the consequences of the Green Deal.

**16. How should SEEP look to integrate the findings of the Each Home Counts Review – e.g. could it be used a basis for developing a consumer protection framework for SEEP?**

The Each Home Counts Review appears to be a good basis for developing a consumer protection framework and encouraging good business practice. The Quality Mark proposal is also a welcomed initiative and it makes sense for this to be adopted in Scotland so as not to confuse consumers.

We agree that the Scottish Government and Trading Standards should establish a good working relationship to protect the reputation of the scheme and ensure that it becomes a mechanism for Scotland to grow a reputable, sustainable energy efficiency installation industry that works for consumers and in so doing, meets the energy efficiency goals set by Scottish Government.

**Skills and economic development**

**17. How can local supply chains be expanded and up-skilled to ensure that maximum economic benefit and job creation is secured across all of Scotland?**

Our members have been clear that they would like to see local supply chains be upskilled in order to keep the economic benefits of SEEP within the local economy; as such Scottish Government acknowledgement of this is welcome. One aspect of SEEP that genuinely has an impact on its ability to deliver local economic benefit is the continuity of funding i.e. funding beyond a one year settlement and ideally on a multi-year (four or five year) basis. Such settlements offer a level of continuity that provides smaller, local contractors with the confidence to invest in the necessary skills to be able to deliver SEEP on the ground. Without this certainty, the programme risks favouring larger, national or international providers – particularly where work requires more advanced technological expertise.

A holistic approach to improving local supply chains should be taken where possible, with contributions from local community planning partners including employability agencies, colleges, schools and industry. Any employment initiatives should be in keeping with the Developing the Young Workforce strategy.

**18. How can communities best benefit from the expected job creation?**

See above. We believe investing in local supply chains is an important means to ensuring communities best benefit from the expected job creation. Public procurement must take cognisance of the Community Benefit Requirements outlined in the Guidance under the Procurement Reform (Scotland) Act 2014. Further, it is now widely accepted that the principles of best value and of local economic development do not work against one another. The potential community benefits of public contracts which flow from SEEP can be identified

at a partnership level with industry and we believe procurement regulation is not a barrier to ensuring economic benefit stays within a local area.

For these benefits of SEEP to be as far-reaching as possible, it is important that an element of SEEP funding is assured for each local authority area. We recognise that SEEP pilots did not intend to reach every local authority area but it is notable that some councils have not been able to participate in the phase 1 and 2 pilots – this cannot be the case for full SEEP.

**19. What provision could be made at a national level to ensure companies increase the capacity of the supply chain across all of Scotland to support local delivery of SEEP, particularly in the rural and remote areas?**

National-level guidance on this issue would be welcome.

**20. What do companies need to do to increase their skills base to deliver a programme of this nature?**

COSLA will be interested in the views from the sector on this question but we are aware that an Analytical Unit is being established as part of the Enterprise and Skills Review. This will create an enhanced analytical function which will provide strategic evidence to make effective and informed decisions that improve the outcomes of the Enterprise and Skills system and seems to present an opportunity for SEEP. We also support initiatives such as the Supplier Development Programme (SDP) – a business support initiative using training and information to improve the competitiveness of local businesses. ([www.sdpscotland.co.uk](http://www.sdpscotland.co.uk))

We recognise the challenges associated with the need for investment in skills to deliver SEEP but also the opportunities for economic development this presents.

What is clear is that longer term funding settlements will provide small and medium sized local providers with the confidence to invest in skills and resources to deliver more energy efficiency measures as required by SEEP. A programme of engagement and corresponding communications strategy will also enable companies to be aware of the need to increase their skills base. It is also important that planning and management skills are invested in within public bodies – and particularly local councils with their strategic planning role and lead role in community planning – to deliver SEEP well across Scotland.

**Local / Area-based / National-delivery**

**21. What roles should national and local bodies play respectively in delivering SEEP and how can national and local schemes best be designed to work together towards meeting the Programme's objectives?**

As a democratically accountable sphere of government with a statutory role as the strategic housing authority, a lead role in community planning and a deep knowledge of local community need, local authorities must be at the heart of SEEP. This means councils should be key to delivery, with a local-by-default, national-by-agreement approach to delivery where possible. There should be a synergy between local and national objectives that allows local areas and schemes to contribute to a national picture in a way that also benefits and meets the needs of the community in question.

COSLA Leaders have shown their fullest support for the ambitions set out in the CCP and are ready to engage in more focussed discussions on how progress can be made over the next few decades, including tackling the reduction of energy demand and fostering low/no carbon energy production.

We recognise that tackling climate change requires a national and international approach and that issues such as fuel poverty require a nationally strategic approach but this end cannot be achieved without local action. Both the local and national bodies have a role to play in SEEP and although delivery should rest firmly at a local level and be planned at a local level, this cannot be done without considerable support from national bodies (such as EST).

SEEP should be delivered in the spirit of the public sector reforms called for in the Christie Commission, including “*recognising that effective services must be designed with and for people and communities – not delivered ‘top down’ for administrative convenience*” and making building implementation on a strong relationship between Scottish Government and Local Government to develop joined-up services, backed by funding arrangements requiring integrated provision. This requires a meaningful political agreement and commitment to joined-up working at all levels and should result in SEEP being referenced in other key documents such as housing statements, local housing strategies and Local Outcome Improvement Plans.

**22. What are your views on the relative benefits of area-based schemes as against those targeted at particular sectors or tenures in delivering SEEP? What other targeting approaches might be effective?**

Ideally SEEP will take an area-based approach through targeting all relevant sectors in an area and performance data will be able to speak to an area-based approach (enabling local accountability) as well as offering information on particular sectors and tenures to highlight where improvement could be targeted. In keeping with the direction of travel in other areas of policy, an integrated local partnership approach should be taken to delivery, planning and monitoring.

While we welcome the Scottish Government’s proposal that SEEP is a ‘one stop shop’ / whole system approach for all energy efficiency work, lending it strategic direction, we believe this should not undermine or dilute area-based work. We welcome Ministers’ view that those who can pay, should pay and that public funds should be targeted at those in most need.

**Standards, governance and performance monitoring**

**23. How best can we align nationally set standards with local, area-based delivery?**

Fundamentally, this requires political agreement between Local Government and Scottish Government supported by strategic buy-in from other public bodies and private industry. We would hope to work with Scottish Government to develop a set of national outcomes which support local delivery and to which local delivery activity can contribute. It is possible that a national performance framework would be required and the benefits of consistency have potential but this should be outcomes focused rather than output driven in the spirit of Christie. A performance framework should also take into consideration work in other areas such as the development of a new Fuel Poverty Strategy.

**24. What should the overall balance be between national and local target setting? Should local authorities set local targets with the flexibility to determine whatever methods they want to meet the Programme vision? Or should there be a greater degree of setting the target(s) and delivery methods by national government?**

As noted above, there requires to be a strong consensus built between Local Government and Scottish Government to support this balance. Target-setting by central government in a top-

down fashion does not lead to better outcomes and instead local authorities / local partnerships should be empowered to deliver outcomes in a way that suits them while also contributing to an overall national picture. The Commission on Strengthening Local Democracy in Scotland makes the case for the principle of subsidiarity (i.e. decisions should be taken as close to communities as possible, and the shape and form of local governance has to be right for the people and the places it serves) and demonstrates that national governments have a key role to play in the empowerment of the local.

It is crucial that any nationally determined targets or duties are met with adequate resources to facilitate delivery.

**25. What would a good governance structure to oversee any framework of responsibilities between national and local government look like? What examples are you aware of within the UK or elsewhere?**

We welcome the fact that this consultation recognises that responsibility for oversight will be shared between national and Local Government.

Scottish Government and Local Government should be treated as separate, equal partners when designing oversight structures. Any monitoring framework should facilitate oversight by Scottish Ministers and COSLA Leaders as elected representatives of national and Local Government. As such, progress should be reported to both Scottish Ministers and COSLA elected members and significant developments in SEEP should be agreed by both parties.

One example of good governance in the distribution of a large capital funding is the Regeneration Capital Grant Fund (RCGF). The RCGF will focus on delivering large scale transformational change (with strong regeneration outcomes), and be aimed at delivering projects and programmes which can lever in private sector investment and address market failure. Whilst ring fencing of capital funding is at odds with the generally agreed COSLA position, this is a fund which works well, is governed by mutual agree

**26. What should be included in a monitoring framework to ensure that the Programme is effectively monitored and evaluated?**

It is important to be clear about the purpose of a monitoring framework before development begins. COSLA is committed to a focus on outcomes rather than outputs and so any performance recording should be meaningful to all stakeholders and, most importantly, to communities. As such, a monitoring framework should focus on outcomes for communities and be something which can help drive improvement at the delivery level (e.g. by informing the SEEP planning processes by identifying geographical areas in need of targeted work) as well as provide a tool for democratic accountability.