
Report To:	Environment and Regeneration Committee	Date:	2 November 2023
Report By:	Head of Physical Assets	Report No:	ENV060/23/SJ/EM
Contact Officer:	Eddie Montgomery	Contact No:	01475 714800
Subject:	Energy & Climate Change / Net Zero – Update		

1.0 PURPOSE AND SUMMARY

- 1.1 For Decision For Information/Noting
- 1.2 The purpose of this report is to provide an update on Energy and Climate Change related activity and associated legislation.
- 1.3 The report provides a summary of the progress on Net Zero Action Plan projects with a focus on Energy Use in Buildings and the Natural Environment.
- 1.4 The Energy Performance Certificate (EPC) Reform 2023 consultation launched on the 25th July and ran to the 10th October. The report notes the Inverclyde Council response and implications of possible changes to the legislation.
- 1.5 The Local Heat and Energy Efficiency Strategy (LHEES) and delivery plan is a statutory piece of legislation designed to be used as a route map to decarbonise all of Inverclyde Council area from assigning energy efficiency and district heating zones. The report provides an update on the progress in respect to the Inverclyde Strategy and plan.

2.0 RECOMMENDATIONS

- 2.1 That the Committee
- note the progress and update on Net Zero Action Plan items as summarised in Appendix 1;
 - note the Energy Performance Certificate Reform 2023 and Inverclyde response as included in Appendix 2;
 - notes the progress and programme for the development of the Inverclyde LHEES included in Appendix 3;
 - notes the allocation of funding from NatureScot.

Eddie Montgomery
Head of Physicals Assets

3.0 BACKGROUND AND CONTEXT

Net Zero Action Plan

- 3.1 The Committee has previously approved the Net Zero Action Plan 2022/27 with the last full update presented to the June 2023 Committee. Progress has been made on a number of the areas of the plan in relation to Energy Use in Buildings and the Natural Environment. Refer to Appendix 1 for details.

Energy Performance Certificate (EPC) Reform 2023

- 3.2 Energy Performance Certificate regulations were first introduced in 2008 and initially covered public buildings with floor areas over 1,000m² and was subsequently amended to cover public buildings with floor areas over 250m². They involve an assessment of the building fabric and systems to assign a rating between A-G, with “A” being a near zero carbon building built to exceed baseline building standards.
- 3.3 The Energy Performance Certificate (EPC) Reform 2023 consultation was considered by a group of officers from Environment and Regeneration and responses were collated and sent as a combined response from the Council (see Appendix 2). It should be noted that the proposals include potentially altering the validity period from 10 to 5 years which would have a capital cost implication for the current programme and costs of renewal.
- 3.4 The future of EPC legislation for our non-domestic buildings is still unknown, with legislation postponed which was due in late 2022 surrounding the requirements for commercial properties to meet a minimum standard before they could be re-let. Should this be considered for future implementation it would have a significant capital cost implication for the current commercial portfolio.

Local Heat & Energy Efficiency Strategy (LHEES)

- 3.5 Local Heat and Energy Efficiency Strategies (LHEES) are at the heart of a place based, locally led and tailored approach to delivering the transition to climate-friendly, more energy efficient homes and non-domestic buildings. These local Strategies will set out the long-term plan for decarbonising heat in buildings and improving their energy efficiency across an entire local authority area
- 3.6 The Council appointed Turner and Townsend in August 2023 to complete the LHEES strategy and delivery plan with the first draft required by the end of December 2023 to comply with the legislative requirement. Following this and subsequent approval from the Committee, it is then planned to progress the draft to public consultation before the final strategy and action plan is completed. Appendix 2 includes the current project plan detailing out the various actions and timescales.
- 3.7 The LHEES timescales have been extremely challenging as all Scottish Local Authorities have been vying for the same limited external consultant resource pool. The formation of the current Energy & Climate Change Team and expansion of resource in this area has only recently been possible and this again has been impacted by the same demand for suitably qualified and experienced officers. The Council are now in the middle progress bracket of where the various Scottish local authorities are in developing their strategies and delivery plans, and have been in regular communication with the Scottish Government as to where we are in this process.

Peatland Restoration

3.8 The Council has been awarded £768,705.45 to carry out peatland restoration at Hardridge Farm from NatureScots Peatland Action Fund.

4.0 PROPOSALS

4.1 Officers will continue to seek funding opportunities in relation to Net Zero and it should be noted that this will require to consider aligning existing Net Zero capital and elements of other capital programme funding resources to meet match funding requirements.

4.2 The outcome of the Energy Performance Certificate (EPC) Reform 2023 will be monitored and any confirmed implications such as the potential increase in costs relating to the period of validity reported to a future Committee.

4.3 Officers will continue with the Local Heat and Energy Efficiency Strategy work stream with the target of an initial draft to be complete before the 31st December deadline and public consultation in the new calendar year.

5.0 IMPLICATIONS

5.1 The table below shows whether risks and implications apply if the recommendation(s) is(are) agreed:

SUBJECT	YES	NO
Financial		x
Legal/Risk	x	
Human Resources		x
Strategic (Partnership Plan/Council Plan)	x	
Equalities, Fairer Scotland Duty & Children/Young People's Rights & Wellbeing		x
Environmental & Sustainability	x	
Data Protection		x

5.2 Finance

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
N/A					

5.3 Legal/Risk

The 'Local Heat and Energy Efficiency Strategies (Scotland) Order 2022' was passed by the Scottish Parliament and has now been made a Scottish Statutory Instrument, coming into force on 21st May 2022. The order places a duty on Local Authorities to prepare, publish and update:

- A local heat and energy efficiency strategy; and
- A local heat and energy efficiency delivery plan.

The first strategy and plan must be published on or before 31 December 2023 and thereafter must be kept under review and updated at intervals of no more than 5 years of the publication date.

The Energy Performance of Buildings (Scotland) Regulations 2008, as amended, place a duty on owners to make EPCs available to prospective buyers and tenants. There are also requirements in those regulations for display of an EPC in buildings exceeding 250m² floor area, for both public buildings and buildings frequently visited by the public

5.4 Human Resources

None, vacancies are being recruited to.

5.5 Strategic

The Councils Net Zero Strategy will be implemented through the 2022/27 Action Plan, which provides the objectives and associated actions that will target the Carbon Reduction Actions over the five years of the plan. This aligns with the Council Plan.

5.6 Equalities, Fairer Scotland Duty & Children/Young People

(a) Equalities

This report has been considered under the Corporate Equalities Impact Assessment (EqIA) process with the following outcome:

	YES – Assessed as relevant and an EqIA is required.
x	NO – This report does not introduce a new policy, function or strategy or recommend a substantive change to an existing policy, function or strategy. Therefore, assessed as not relevant and no EqIA is required.

(b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report's recommendations reduce inequalities of outcome?

	YES – A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
x	NO – Assessed as not relevant under the Fairer Scotland Duty for the following reasons: Provide reasons why the report has been assessed as not relevant.

(c) Children and Young People

Has a Children's Rights and Wellbeing Impact Assessment been carried out?

	YES – Assessed as relevant and a CRWIA is required.
x	NO – Assessed as not relevant as this report does not involve a new policy, function or strategy or recommends a substantive change to an existing policy, function or strategy which will have an impact on children's rights.

5.7 Environmental/Sustainability

The Councils Net Zero Strategy will be implemented through the 2022/27 Action Plan, which provides the objectives and associated actions that will target the Carbon Reduction Actions over the five years of the initial plan.

Has a Strategic Environmental Assessment been carried out?

	YES – assessed as relevant and a Strategic Environmental Assessment is required.
x	NO – This report does not propose or seek approval for a plan, policy, programme, strategy or document which is like to have significant environmental effects, if implemented.

5.8 Data Protection

Has a Data Protection Impact Assessment been carried out?

	YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.
x	NO – Assessed as not relevant as this report does not involve data processing which may result in a high risk to the rights and freedoms of individuals.

6.0 CONSULTATION

6.1 Relevant Officers within Environment & Regeneration were consulted on the EPC reform consultation response included as Appendix 2.

7.0 BACKGROUND PAPERS

7.1 Net Zero Strategy 2021/2045 and Action Plan 2022/2027.

Item	Action	Update – October 2023
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1. Carbon Reduction Action Area: Governance

Funding

1.7	Work with our partners including the Scottish Government to focus specific funding, measures and resources to address Climate Change at local level	<p>The Councils Environment & Regeneration Capital programme reflects the allocation of resources approved by Inverclyde Council on 2nd March 2023 including £3.3m to address the progression of the agreed 2022/27 Net Zero Action Plan.</p> <p>Previous updates confirmed:</p> <ul style="list-style-type: none"> • £0.99m grant funding has been secured through the Low Carbon / Vacant & Derelict Land Investment Programme (VDLIP) to support the delivery of the Learning Disability Community Hub project including the low carbon design approach. • The £1.734m Port Glasgow Community Hub (refurbishment of King George VI building) funded through the Regeneration Capital Grants Fund (RCGF) also includes piloting a low carbon approach. <p>Current update</p> <ul style="list-style-type: none"> • The Peatland Restoration proposals for Dowries and Hardridge Farms have been progressed with £768,705 Scottish Government Peatland Action Funding now secured for Hardridge and Dowries application also being considered; • Funding application made to Scottish Football Association (SFA) to address LED floodlighting upgrades across School and Leisure pitches (50% match funding required if successful); • Museums Galleries Scotland - Capital Resilience Fund 2023 (grants available between £5,000 and £60,000) and opportunity for energy efficiency works with officers putting together a bid for heating controls / partial LED lighting in the Watt Institute. <p>A new Public Sector Heat Decarbonisation Grant is also shortly going to be launched and officers have been in close liaison with Salix the fund administrators to understand the process and funding criteria.</p>
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Item	Action	Update – October 2023
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2. Carbon Reduction Action Area: Significant Carbon Emitters

Energy Use in Buildings

2.3	Prepare, publish and update a Local Heat and Energy Efficiency Strategy (LHEES) and Delivery Plan	Update included in main Committee report. Complementary studies on-going in relation to the feasibility of a district heating network project around the Greenock Waterfront area. The Council has also been accepted for the Scottish Government District Heating Mentoring Programme which is a 12 month programme delivered through the Heat Network Support Unit (HNSU) designed to build capacity within Scottish Local Authorities through knowledge and experience sharing.
2.5	Continue to consider energy efficiency improvements and incorporation of low carbon technologies in Council owned buildings as part of capital programme maintenance and lifecycle replacement activity	<p>Previous update confirmed:</p> <ul style="list-style-type: none"> • Further phase of window replacement (phase 6) completed at Greenock Municipal Buildings (double glazed from single, improved u-values); • Greenock Town Hall Re-Roofing and Window Replacement project at tender issue stage also includes improved elemental u-values i.e. increased roof insulation and windows (double glazed from single). <p>Current update:</p> <ul style="list-style-type: none"> • Cornalees Visitor Centre heating and ventilation upgrade being progressed as part of E&R Core Property condition related investment and will also include 21nr photovoltaic panels; • Re-roofing of Glenbrae Children’s Centre being planned / programmed as part of Education Capital Lifecycle programme and will also include 26nr integrated photovoltaic panels.
2.6	Continue to address upgrade to LED lighting and intelligent lighting controls in our buildings including grounds and outdoor sports facilities (all new assets specify LED as standard)	<p>Previous update confirmed:</p> <ul style="list-style-type: none"> • Commission request issued for LED upgrade at Inverclyde Academy, consultant appointment being progressed; • Commission request issued for school pitch floodlight upgrade (3 secondary schools). <p>Current update:</p> <ul style="list-style-type: none"> • As noted in Funding section above, floodlighting project above now superseded by potential wider project for floodlight upgrade at Education and Leisure Pitches subject to outcome of SFA funding bid. Consultant appointed; • Main training pool area of Greenock Waterfront receiving lighting upgrade (LED) whilst moveable pool floor project is being progressed and pool empty; • Detailed feasibility studies progressed at 6 buildings aligning with Photovoltaic panel studies.

Appendix 1

Item	Action	Update – October 2023
2.7	Identify solar PV opportunities for public buildings where technically feasible and payback periods support investment	Detailed feasibility studies progressed at 6 buildings aligning with LED upgrade assessments noted above. Priority projects will be identified for detail design and tender.
2.8	Identify opportunities for lower emission alternatives to fossil fuel boilers for public buildings where existing boilers are reaching end-of-life, where technically feasible and considering existing building fabric performance	Detailed feasibility studies progressed at 3 buildings. Priority projects will be identified for detail design and tender.
2.10	Review current estate gas AMR provision and invest in additional devices where asset consumption patterns support investment	In the process of arranging the upgrade of gas AMRs to 'Platinum' level for all gas supplies, which provides half-hourly consumption data and will allow greater interrogation of when energy is used to allow optimisation. In terms of smart metering, for gas the Council / Inverclyde Leisure now has 87% of its consumption going through half hourly measured meters with the aim to get to 95% plus by the end of the financial year.
2.11	Review current estate electrical classification profiles to address non-half hourly metered sites, install 'Smart' or AMR meters across Profile Class 1-4 assets	In terms of smart metering, the Council / Inverclyde Leisure now has 79% of its consumption going through half hourly measured meters with the aim to get to 95% plus by the end of the financial year.

Appendix 1

Item	Action	Update – October 2023
2.12	Investigate the feasibility of a web-based centralised platform to allow facility and energy management staff to monitor, analyse and predict the performance of buildings to minimise energy consumption, reduce costs and work towards net-zero targets	<p>Previous update:</p> <ul style="list-style-type: none"> • In process of procuring new Cloud-based energy Monitoring & Targeting software over June/July 2023; • Also investigating linking of Building Energy Management Systems for all major assets to allow visibility of real time usage and ability to centrally monitor/control. <p>Current update:</p> <ul style="list-style-type: none"> • Population of data and invoices for the new Energy Monitoring and Targeting software nearing completion (Systemlink) which significantly improves data quality for reporting and allows better energy and financial management of the consumption and costs; • Officers currently working with Council’s term contractor and specialist contractor to restore links to majority of Building Energy Management Systems in Education estate and larger non-school estate operational assets. Options being explored for system upgrades to provide centralised live monitoring capability.
2.14	Continue to investigate the implications of deep retrofit across the estate to identify potential solutions and associated capital costs including technical and logistical barriers to implementation	<p>Previous update:</p> <ul style="list-style-type: none"> • Two studies completed (Port Glasgow Municipal Buildings and St Joseph’s Primary School). Further studies commissioned including Greenock Municipal Buildings and Waterfront Leisure Centre with data gathering phase on-going. Further study of a primary school (Kings Oak PS) in process of being scoped. <p>Current update:</p> <ul style="list-style-type: none"> • Studies progressing towards completion for Greenock Municipal Buildings, Waterfront Leisure Centre and Kings Oak Primary School; • Officers working with hub West Scotland who are forming a Net Zero Collaboration Group and linking with BE-ST (Built Environment Smarter Transformation) to maximise knowledge sharing and pooling of resources around areas such as the retrofit challenge.
2.15	Increase resources to assist in the development of net zero policy / Local Heat and Energy Efficiency Strategy and plans, including the monitoring, control and reduction of energy use in buildings	Energy & Climate Change Team Leader commenced in post end May 2023. Energy & Climate Change Support Officer in post from early August. The recruitment of a Projects Officer is on-going with a number of attempts to advertise but with limited responses, post in process of being re-advertised.

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Streetlighting and Water		
2.24	Continue the regular review and monitoring of automatic meter reading (AMR) data showing water usage and correct for consumption anomalies and identified leaks	All water AMRs where available being connected to the Monitoring and Targeting software referred to in 2.12.
2.25	Review current estate water AMR provision and invest in additional devices where asset consumption patterns support investment	<p>Previous update:</p> <ul style="list-style-type: none"> A number of the existing AMRs for water are due to expire and data will potentially become unreliable. A benchmarking exercise is underway to identify priority sites for replacement and expansion of existing provision where appropriate. <p>Current update:</p> <ul style="list-style-type: none"> A programme of water meter installs is scheduled for late October to capture around 20-25 of the highest consuming assets.

4. Carbon Reduction Action Area: Offsetting		
Natural Environment		
4.6	Undertake projects to maximise carbon storage potential of land through peatland restoration and conservation.	<p>Peatland projects at Hardridge and Dowries farms approved at June 2023 E&R Committee. Officers with support from the GCV Green Network Partnership have progressed projects with tenders issued, returned and evaluated. Formal acceptance pending confirmation of Peatland Action Fund grant support.</p> <ul style="list-style-type: none"> Hardridge – Grant offer received. Project is over 3 seasons/years. Formal project acceptance being prepared. Dowries – Grant offer awaited. Project is over single season/year.



Consultation Questions: Summary

Domestic Energy Performance Certificate Metric Reform Proposals

1. Do you agree with the set of metrics that we propose to display on the reformed EPC?

Yes/No/Don't know

Please provide further details here

The proposals are generally moving in the right direction. The proposed set of metrics improve the data to be captured and appear to provide useful information in regards energy efficiency of properties, costs of energy and reflect the targets and requirements for Net Zero. Also, for domestic properties it keeps it simple to understand for new owners and lease holders.

2. Are there additional metrics that you think should be included on the EPC, or metrics that you do not think should be included?

Should be included, please give reasons for your views

Metrics proposed appear comprehensive but Total Energy Use needs to be clear that it is regulated energy use only and excludes how people may use the property. The equivalent of a Display Energy Certificate would be more use to see how the building performs in a real life scenario.

Should not be included, please give reasons for your views

As above.

3. Considering our proposal to include a Fabric Rating on EPCs, do you think this metric should include domestic hot water heat demand?

Should include, please give reasons for your views

Should not include, please give reasons for your views

No. Agree with Scottish Government view in regards this. Including DHW heat demand may confuse matters with respect to 'fabric first'. Also, not if it penalises the installation of heat pumps, could this be measured separately based on primary heating fuel for the DHW?

4. Do you have a view on the way that the Fabric Rating mapped against a scale, for example, how 'A' or 'G' rated performance is determined?

Please provide further details here

Analysis of different types of building to get a more even spread of current ratings for fabric then adjust the target. Too many F's and G's rated properties see no way to improve.

5. Do you agree with our proposal to give more prominence to the energy efficiency features of the home (such as the depth of loft insulation)?

Please provide further details here

Yes. This is what most people are likely to have at least some awareness of and highlights opportunities to improve energy efficiency. This would help identify if the initial survey picked this up incorrectly as well.

Non-Domestic Energy Performance Certificate Metric Reform Proposals

6. Do you agree with the set of metrics that we propose to display on non-domestic EPCs?

Yes/No/Don't know

Please explain your view further

Monitoring against a reference building allows comparison against buildings of a similar type and nature of operation. Also more reflective of energy use and carbon emissions and the requirements to achieve Net Zero. Is there, however, an opportunity to provide a Building Assessment Report at same time as very similar data gathering exercise required.

7. Are there any additional metrics that you think should be displayed, or any in the proposed set that should not be included?

Should have additional metrics, please explain your view further

Measures to make improvements could be listed where these haven't already been carried out, but would need to stay relevant to new technology.

Should not be included, please explain your view further

EPC Purpose and Validity

8. Do you agree with us that the primary role of the EPC should be to provide basic energy efficiency information for the purpose of comparison and act as a prompt to consider retrofit options?

Yes/No/Don't know

Please give details for your answer

EPCs, however, should be sufficiently detailed and provide meaningful and useful information specific to the building in regards improving energy efficiency and incorporating renewable and/or low carbon technologies. There is a view that currently EPCs provide only generic information, which is not particularly useful.

9. If you disagree, or have further comments about the role of the EPC, please provide your comments.

Please give details for your answer

It needs to provide valuable information and be clear what are the next steps to make the improvements happen.

10. Do you agree that the validity period of EPCs should be reduced from 10 to five years?

Please give details for your answer

Debatable as on one hand it keeps the data more up to date and this may allow EPCs to be more reflective of current policy and legislation, technologies, etc. and stimulate more action in regards improving energy efficiency and incorporating renewable and/or low carbon technologies. On the other hand, it is questionable if this will make a huge difference and will cost councils additional money, better for it to be useful in the first instance with a clear way to make the improvements.

11. We welcome any views on the usefulness of our proposals for other relevant policy areas, such as fuel poverty or the delivery of government schemes. Please provide any comments you wish to share.

Please give details for your answer

The proposals should stimulate more action in regards improving energy efficiency and incorporating renewable and/or low carbon technologies, thereby, have co-benefits in terms of helping reduce fuel poverty with the associated health benefits of this and mitigate climate change. There, however, remains a gap in implementing the recommendations of the EPC from identifying independent advice on more complex interventions to getting a reliable contractor to do the work at an agreed cost which will put people off, so a national scheme that de-risks that would help.

Digital and Accessible EPC Format and Content

12. Do you agree with our proposal that EPCs should move from PDF to webpage format?

Yes/No/Don't know

Please provide further details here

For the reasons stated in the consultation document. It helps make EPCs 'live' documents. It should help when considering improvements to properties.

13. Do you agree with our proposal to improve signposting to further support and advice schemes on the EPC?

Yes/No/Don't know

Please provide further details here

As mentioned this can be enabled by the web page format. Providing links to further support and advice will be more beneficial and should help when considering improvements to properties. Note, particularly agree with providing information on local area heat networks.

14. Do you agree historical EPCs should be publicly accessible on the EPC register (while clearly marked as historic)?

Yes/No/Don't know

Please give reasons for your view

For the reasons stated in the consultation document.

15. Do you agree that the EPC register should be accessible by API?

Yes/No/Don't know

Please give reasons for your view

For the reasons stated in the consultation document.

16. Do you have any further comments on our proposals to move to a digital and accessible EPC?

This could include services that you think EPCs should signpost to, or comments about the use of an API to access the EPC database.

Please explain your view further

Possibly EPCs could signpost to broader climate change issues, Local Authority waste facilities, biodiversity and other topics in regards environmental sustainability.

EPC Auditing and Assurance

17. Do you agree with our proposals to review and update the auditing and assurance requirements for EPCs in Scotland?

Yes/No/Don't know

Please explain your view further

18. Please detail any additional assurance activity that you think would be appropriate to enhance the accuracy and reliability of EPCs.

Please give details for your answer

Recalculation of the EPC from a detailed survey to see whether this has the same outputs.

Consultation Questions: Legislating for EPC Reform and Timeline

19. Do you have a view on our timeline for reform implementation?

Yes/No/Don't know

Please give details for your answer

It needs to be correct, so assuming these changes can be done by then seems reasonable timescales. Require to allow proposals to be implemented but not too long away for momentum to be lost.

