

Response ID ANON-H5M2-M4ED-6

Submitted to **Consultation on Heat and Energy Efficiency Strategies, and Regulation of District Heating**
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About You

What is your name?

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Are you responding as an individual or an organisation?

Organisation

What is your organisation?

Organisation:

RTPI Scotland

The Scottish Government would like your permission to publish your consultation response. Please indicate your publishing preference:

Publish response with name

We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

Yes

Section A: Local Heat & Energy Efficiency Strategies To Support Delivery of Energy Efficiency and Heat Objectives of SEEP

1 Do you agree that local authorities should have a duty to produce and implement a Local Heat & Energy Efficiency Strategy (LHEES) as outlined above? Please explain your view.

Not Answered

1:

RTPI Scotland has no view on whether the requirement to produce a LHEES should be a statutory duty on local authorities. However, if the Scottish Government intends to go ahead and introduce such a duty, we urge them to do so with due regard to the issues we raise below.

1b) What are your views on the appropriate geographical scale for the preparation of LHEES? Should each local authority produce a single strategy for its area, or would it be possible for local authorities to work together to prepare strategies jointly for a wider area?

1b:

2 Do you agree with the proposed scope and content for LHEESs? In particular do you agree LHEESs should (a) set targets for energy efficiency and decarbonisation and (b) include a costed, phased delivery programme that will meet local targets? Please explain your views.

2:

The consultation paper proposes a timescale of 20 years for LHEES. RTPI Scotland understands the reasons for giving these strategies long term scope. It will be important however to consider how this timescale will fit with that of development plans. Currently Local Development Plans have five year life spans, but the recent Scottish Government consultation on the future of the planning system Places, People and Planning proposes extending this to ten years. We note in paragraph 62 of the consultation that neither the Local Development Plan nor the LHEES would take precedence over the other document. There would need to be corporate consideration of the timing for preparation of the two strategies: It would be counter-productive to prepare a LHEES with a 20-year lifespan, identifying target areas for roll out of District Heating, which then proved to be impossible to deliver through any LDP that followed. It is also essential to note that alongside the development plan local authority development planners will always be engaged in longer term issues, in anticipation of the lengthy period that can be involved in preparing a site for inclusion in the development plan. There will be a need for ongoing dialogue between development planners and the LHEES team therefore to make sure that they are working towards shared goals.

RTPI Scotland welcomes the acknowledgement that LHEES should take into account existing local government strategies, including LDPs. We suggest that this

cooperation should be extended to any other relevant third parties, for example infrastructure providers. The ongoing review of the planning system has included focus on the need to break down silo working between different projects and teams working in infrastructure and the built environment more generally. If LHEES are to be introduced there should be a strong focus from the outset on embedding a cooperative and communicative culture. In its response to the Places, People and Planning consultation paper RTPi Scotland proposed that a Chief Planning Officer be appointed in each local authority. The purpose of this role would be to ensure that planning and place are taken into account in corporate decision making. LHEES are a good example of where this role could be useful; ensuring coordination between tackling decarbonisation and fuel poverty and the development of the built environment.

The consultation paper proposes that LHEES could 'undertake an area-based socio-economic assessment' to inform their contents. RTPi Scotland suggests that Scottish Government explores how this could be linked to Community Planning and Local Outcome Improvement Plans. These initiatives are designed to identify areas of inequality, and therefore could at least usefully inform LHEES objectives.

3 Please provide any evidence you have regarding the data available (or that could be available) to local authorities that would be useful or key to preparing and implementing such plans beyond the Scotland Heat Map and the EPC Register (including data held both within and outwith the public sector).

3:

Section B1: District Heating Regulation

4 What are your views on the broad principles for regulation outlined above? What else do we need to consider? What should be prioritised in cases where principles may not always be compatible?

4:

5 What are the key principles or approaches that should inform how our regulatory approach manages risk for district heating across the whole system?

5:

Section B2: Planning, Zoning and Concessions for District Heating

6 What are your views on local authorities having the power through LHEESs to zone areas for district heating? Please provide any relevant evidence.

6:

7 How should district heating zones be identified? For example, how should national targets, socioeconomic analysis, local priorities feed in to the designation of zones within the Strategy?

7:

8 What are your views on taking district heating zones, or parts of district heating zones, and establishing an exclusive concession for either private- or public-sector heat network developers to fulfil that part of the LHEES? How will this alter the risk profile of district heating development?

8:

8b) Do you agree that local authorities should be responsible for issuing and enforcing concessions in their areas? Please explain your answer.

8b:

9 What considerations should inform the design of concessions (target users, envisaged network growth, concession length, etc.)? Please provide any evidence you have to support your views.

9:

10 What are the implications of zoning and concessions for existing district heating networks?

10:

11 Do you think the broad rights and responsibilities of concession holders set out in this document are appropriate? Why? Please provide any examples or evidence.

Not Answered

11:

12 How can a balance be struck between ensuring LHEESs are responsive to changing conditions while ensuring security and stability in long term district heating development models?

12:

13 What should happen to long term ownership of heat network assets, post-concession?

13:

Section B3: Connecting Users to District Heating Networks

14 What are your views on the opportunities and challenges in connecting anchor loads to new heat networks? In your view, will the scenario set out address these issues and accelerate district heating development? Please explain your answer.

14:

15 What are your views on the proposed power to compel existing buildings to connect to district heating?

15:

15b) Are the broad principles and criteria appropriate? Should other principles or criteria also apply? In particular, what approach should be taken to socio-economic assessment at the project level, prior to a compulsion to connect?

15b:

15c) Do you agree that this socio-economic assessment at project level should include an assessment of the impacts on consumers of requirements to connect?

Not Answered

15c:

15d) Do you agree that local authorities should exercise powers to compel connection of existing buildings (for example when requested by relevant concession holders)? Please explain your answers.

Not Answered

15d:

16 Do you agree that mitigating risk by establishing exclusive concessions will lower financing costs and heat prices?

Not Answered

16:

16b) How can these regulations be designed to best ensure this happens?

16b:

16c) What are your views on the time length of concessions in order to attract investment?

16c:

17 Do you agree that compelling existing buildings to connect to district heating would mitigate heat demand risk, lower financing costs and help create an attractive investment proposition for district heating developers and financial institutions?

Not Answered

17:

17b) Could you provide evidence of how much they would be lowered?

17b:

17c) How can these regulations be designed to best ensure this happens?

17c:

18 What are your views on the relationship between LHEESs and local development plans and how planning policy and development management should support the anticipated role of LHEES for new buildings? Please explain your answer.

18:

Planning policy has an important role to play in incentivising the development of District Heating networks. Planning policy can help to favour proposals in the development management system that include the installation of the necessary infrastructure. Likewise, planning conditions can be used to guarantee delivery. The format and scope of content of the National Planning Framework and Scottish Planning Policy is subject to possible change as a result of the ongoing planning review, but we suggest that when these documents are next reviewed the current SPP policy on District Heating could be made more specific; relating to national emissions ambitions and the possible introduction of LHEES. This policy at the national level will then influence to what extent councils are able to prioritise District Heating in decisions about new development.

As alluded to in the consultation document, appropriate status for LHEES in the planning system would be as a 'material consideration'. We emphasise however that to be effective, the development of the LHEES must involve planners who are able to advise on feasibility and practicality of areas identified for roll out of District Heating.

Section B4: Connecting surplus industrial heat

Questions 19-22c pertain to existing industrial plant

19 What challenges and opportunities do you see for existing industrial plant to connect and sell waste heat to nearby district heat networks, both now and in the future?

19:

19b) What barriers have industries experienced in the ability to sell their heat under current market conditions?

19b:

20 What are your views on requiring existing industrial plant with the potential to supply surplus heat to make data available to public authorities? Please provide any relevant evidence.

20:

21 Under these proposed new arrangements, do you think that an enabling approach, perhaps using voluntary mediation, will be successful? How can we best encourage existing industrial plant to supply waste heat to a district heating network?

21:

21b) Which public authority should carry out the role of voluntary mediation?

21b:

22 Do you agree that in some circumstances, (if requested) compulsory mediation is needed?

Not Answered

22:

22b) Do you agree that if compulsory mediation was not successful, then a more directive approach should be used?

Not Answered

22b:

22c) Which public authority should carry out the role of compulsory mediation or direction?

22c:

Questions 23-24 pertain to new industrial plant

23 What are your views on requiring new industrial plant to be 'district heating ready'?

23:

24 What would be the most appropriate way of ensuring that new industrial buildings connect to district heating networks? What role can zoning within LHEES play in this?

24:

Section B5: Technical Standards, Consumer Protection and Licensing

25 Do you agree that as district heating becomes more widespread it will need to become a licensed activity? Please explain your answer.

Not Answered

25:

26 What technical standards and consumer protection measures should be part of standard district heating licence conditions? How should these relate to existing schemes?

26:

27 What are your views on using a licensing system to confer enabling powers on operators, and on what enabling powers are required?

27:

28 What principles, objectives and other considerations should guide the development of a Scottish district heating licence?

28:

29 What drawbacks or challenges might a licensing system create? How could these be minimised?

29:

30 Do you have views on who should issue District Heating Licenses and ensure that technical standards are being met?

30:

31 Would the benefits of the concession area outweigh the costs of the licensing arrangements?

31:

Section B6: Enabling Activity and Additional Areas for Consideration to Support our Regulatory Approach

32 What are your views on the best approach to ensuring that potential customers understand the differences as potential customers of a heat network? And who do you think is best placed to convey these messages?

32:

33a) Please provide any evidence you have regarding analytical skills, resources and techniques that could support development of LHEESs, particularly where these are not currently used by local government.

33a:

33b) Please provide any evidence you have regarding the anticipated cost of preparing LHEESs.

33b:

33c) Please provide any evidence you have regarding the additional skills and resources are needed to meet the requirements of the potential local authority role of district heating regulation.

33c:

34 What support and resources will local authorities need to produce LHEESs and implement the potential local authority role of district heating regulation. And which organisations do you think these are best placed to provide these? Please explain your views.

34:

RTPI Scotland's response to this consultation has focused on the importance of joined up working between local authority functions if LHEES are to be effective. This approach cannot succeed without adequate resourcing of both finance and skills.

As well as ensuring that resource is available for the team that will have direct responsibility for preparing a LHEES, it will be essential to acknowledge the extra resource pressure that properly engaging with an LHEES would place on other local government departments. This includes teams in planning, economic development, housing and energy. Analysis by RTPI Scotland of data from the Planning Performance Framework shows that between 2009 and 2015 23% of planning roles were lost from local authorities, and 32.5% was lost from planning budgets over the same time period. In 2015 only 0.57% of local authority planning budgets was invested in the planning service. For planners to maximise their role in the preparation and delivery of LHEES investment in the development planning service will be essential. This will mean investing in the skills of planners as much as ensuring that there are sufficient planners to discharge a local authority's duties.

RTPI Scotland has recently submitted to Scottish Government a paper, Developing Skills, Behaviours and Knowledge to Deliver Outcomes. This paper outlines the skills that are a priority for development in the planning profession, including collaborative working. The paper also identifies heavy workloads as the major barrier to training and skills development in planners. Scottish Government should be aware of the leadership it will need to take to ensure that local authority planners have access to, and are able to take advantage of, the training that will be needed to increase delivery of District Heating projects.

35 What are your views on how any support should change over the different phases of development, introduction and implementation of any regulation?

35:

36 What are your views on the wider regulation of the heat market to ensure decarbonisation?

36:

37 What are your views on when decisions should be taken on the future of the gas network?

37:

38 Please provide any evidence you have to inform the Scottish Government in informing its thinking in this area.

38:

39 Please set out any further views on issues covered in this consultation that you have not already expressed, providing evidence to support your views.

39:

RTPI Scotland welcomes the opportunity to respond to this Scottish Government policy scoping consultation on Local Heat and Energy Efficiency Strategies and Regulation of District Heating. Our comments focus on how the proposed Local Heat and Energy Efficiency Strategies will relate to development planning at the local, regional and national tiers, and highlight practical concerns about implementation in a time of severe resource stress in local government across Scotland.

Planning is about delivering sustainable development within our environmental limits, and as such planners are trained and experienced in looking at the big picture of any development issue, including the provision of energy infrastructure. It is therefore important to emphasise that planning not only offers solutions to regulatory challenges, but also to strategic visionary ones.

Evaluation

Please help us improve our consultations by answering the questions below. (Responses to the evaluation will not be published.)

Matrix 1 - How satisfied were you with this consultation?:

Neither satisfied nor dissatisfied

Please enter comments here.:

Matrix 1 - How would you rate your satisfaction with using this platform (Citizen Space) to respond to this consultation?:

Slightly dissatisfied

Please enter comments here.:

It is difficult to provide short but important contextual comments in the questionnaire format. It might be helpful to provide an opportunity to do this above the question and answer section.