

South Ayrshire Council

**Report by Depute Chief Executive and Director of Housing,
Operations and Development
to Service and Partnerships Performance Panel
of 20 August 2025**

Subject: Local Heat and Energy Efficiency Strategy – Progress and Update Report

1. Purpose

- 1.1 The purpose of this report to provide an update on the progress of the Local Heat and Energy Efficiency Strategy ('LHEES'), agreed at a meeting of South Ayrshire Council on 19 August 2024 and to agree the developed and new actions for the LHEES the delivery plan.

2. Recommendation

2.1 It is recommended that the Panel:

2.1.1 notes the progress made in year 1 of the LHEES strategy and delivery plan;

2.1.2 agrees the developed and new actions for the LHEES delivery plan.

3. Background

- 3.1 At its meeting on 19 August 2024, the Council agreed the proposed Local Heat and Energy Efficiency Strategy 2024-2029. This strategy fulfils the Scottish Government Local Heat and Energy Efficiency (Scotland) Order 2022, in which the council is required to outline its long-term strategic approach to decarbonisation of heat and development of energy efficiency within the local area.
- 3.2 The order outlines the role of the LHEES delivery plan, representing flexible, annually reviewed targets for LHEES development and delivery. This will allow for changes in policy landscape, funding opportunities, and technological innovation to be reflected in the LHEES delivery.
- 3.3 The draft publication of the LHEES on 16th January 2024 agreed a member/ officer working group be developed to manage the attribution and coordination of actions. It is proposed that this group is made up of Council and Community Planning Partner representatives, with other relevant members such as technical experts, wider CCP members, or community organisations included as required. A report will be brought forward to Council recommending Elected Member and officer representation following the identification of Portfolio Holder with responsibility for net zero matters.

3.4 In the meantime, the delivery of LHEES objective is supported through the LHEES coordination group which meets quarterly.

3.5 Table 1 below outlines current progress against the delivery plan objectives:

Table 1

Delivery Plan Action	Action	Outcome
1. Ensure sufficient dissemination of SAC LHEES delivery plan to all key internal and external stakeholders.	<p>Internal launch of strategy in 2024 with continuing reference through 2025. Dissemination to all key departments, CPP, and engagement with community groups.</p> <p>LHEES communication plan created and delivering.</p> <p>Internal engagement with core services through team meetings and presentations.</p>	Complete (2024)
<p>2. Set up the working groups highlighted for:</p> <ul style="list-style-type: none"> - LHEES Coordination governance group, - Specific issue areas such as mixed use/tenure and historic buildings 	<p>LHEES Coordination group established with meeting schedule according to agreed terms of reference</p> <p>Specific area work groups are in place locally and nationally – LHEES to tie in with existing resource</p>	Complete (2024-25)
3. Establish governance structure and agree meeting schedules	MOWG group structured pending creation.	Ongoing (2025)
4. Engage with other LA's, Universities, NHS trusts and other large public sector organisations to learn from their experience of decarbonisation and LHEES considerations on large estates.	<ul style="list-style-type: none"> - Centre for Net Zero – High Density Buildings funding achieved in collaboration with Strathclyde University for Wallacetown project. - Engagement with UWS on heat networking potential for riverside campus area. - Ongoing engagement with wider LA LHEES working group, facilitated via Improvement Service - Engagement with CPP through the SDP Energy subgroup 	<p>Complete (2024-25)</p> <p>Reframe for 2025 delivery plan</p>
5. Engage with the public using educational material on energy efficiency, technologies, funding opportunities, methods to reduce heating bills, and suitable tariffs to encourage early adopters of heat pumps.	<ul style="list-style-type: none"> - LHEES comms plan created and in delivery - Video and info sheets on LHEES, energy transition, energy efficiency measures, and heating systems in development 	Ongoing (2024-29)

Delivery Plan Action	Action	Outcome
	<ul style="list-style-type: none"> - Public information via community engagement events (HSCP – Localities) - Presentations through SDP forums 	
<p>6. (8) Create ongoing case studies of SAC decarbonisation and fuel poverty reduction implementations</p>	<ul style="list-style-type: none"> - Ongoing case study work and national lessons learned are shared via LHEES officers' forum, facilitated by the Improvement Service. This network provides strong, officer led support, information and guidance on LHEES delivery including engagement with academics, service providers and delivery partners. - Engagement with APSE on SAC Building Management System case study through AM team - Engagement with ECO4 funding project to support information gathering 	<p>Ongoing (2024-25)</p>
<p>7. (9) Set up a working group with SPEN to monitor network constraints to coordinate transition work.</p>	<ul style="list-style-type: none"> - Scottish Power Energy Networks now offer a case-by-case engagement platform for LHEES through their Strategic Optimisation team - Training received in use of Local Authority Network Insight Tool (LANIT) allowing SAC to assess demand restrictions on domestic heat pump or EV installations 	<p>Complete (2024-25)</p>
<p>8. (10) Engage with other local authorities, local colleges, and local installers to assess skills gaps in heat pump delivery.</p>	<ul style="list-style-type: none"> - Pan-Ayrshire LHEES group formed and meeting quarterly to share localised experience and identify cross-border opportunities - Engagement with Ayrshire Colleges on apprenticeship schemes and skills towards net zero - Scottish Enterprise is developing a net zero skills atlas to support work in this area – local development would result in duplication 	<p>Ongoing</p>
<p>9. (13) Complete pre-feasibility studies on proposed heat network zones.</p>	<ul style="list-style-type: none"> - Initial scoping underway on Ayr HNZ with potential wastewater heat source. Telemetry data provided by Scottish Water Horizons shows significant potential. Further feasibility work is being considered via the SG Heat Network Support Unit. 	<p>Ongoing</p>

Delivery Plan Action	Action	Outcome
10. (14) Coordinate with Planning on LDP3 on Heat Network zone development and routes to support development	<ul style="list-style-type: none"> - Feedback on Energy priorities sent to Planning - Ongoing engagement with HNZ development will be required as legislation is finalised 	Ongoing
11. (25) Coordinate with Scottish Government and collect improved datasets for 5 yearly LHEES update.	<ul style="list-style-type: none"> - Ongoing work with Energy Savings Trust (EST) to refine the Home Analytics data set - Work required via Improvement Service Data Hub to allow integration of SAC data with existing EPC information 	Ongoing

New Actions

3.6 As actions are completed or evolved through ongoing work and landscape changes, the delivery plan must adapt to meet the needs of the organisation and the area. As such the actions in Table 2 below are suggested as new or evolved actions:

Table 2

Requirement identified	New action & objectives	Action replaced if applicable
Changing policy landscape surrounding LHEES and energy development in Scotland requires regular policy updates	<p>Deliver policy briefs on relevant legislation through existing governance structures</p> <ol style="list-style-type: none"> 1. Reporting through Coordination Group and MOWG as appropriate 2. Timescale – Annual (Quarterly to coordination group / Annually to MOWG) 	<p>New Action</p> <p>Existing delivery work through 2024/25</p>
Interlinked dependencies between energy infrastructure and decarbonisation give value to inclusion of renewable projects within LHEES	<p>Assess and support development of renewable energy in South Ayrshire</p> <ol style="list-style-type: none"> 1. Monitor ongoing renewable developments across SAC - ongoing/annual update to SPPP in Aug 2. Assess SAC estate for large scale renewable generation opportunities – Oct 2027 3. Support delivery of existing large scale solar generation projects – Oct 2027 4. Continuing support for Regional Energy Strategic Planning (RESP) process through the National Energy Systems Operator (NESO) – Annual as required 	<p>New Action</p> <p>Existing delivery work through 2024/25</p>

Requirement identified	New action & objectives	Action replaced if applicable
	5. Timescale – 2027-2029	
<p>Wider engagement with the private sector is required to support decarbonisation in business assets, supply chain development, and skills.</p> <p>This should work alongside and support the work of the Ayrshire Energy Masterplan (AEM).</p>	<p>Coordinate LHEES delivery with outputs from the AEM, identifying opportunities for co-delivery and pan-Ayrshire working.</p> <ol style="list-style-type: none"> 1. Ensure coordination of LHEES and AEM through corresponding coordination groups – ongoing/annual update to SPPP in Oct 2. Utilise CPP forums and Regional Economic workgroups to support delivery – ongoing/annual update to SPPP in Oct 3. Investigate regional delivery models such as the Edinburgh and Glasgow regional delivery models – Oct 2028 4. Timeline – 2025-2028 	New Action
<p>Decarbonisation of SACs estate is required for the 2038 target (Heat in Buildings Strategy - SG) and is an opportunity to show best practice and leadership in this area. A standardised methodology is required to assess which buildings have the potential to reach net zero and how this work will work within the 2038 and 2045 timelines.</p>	<p>Assess existing building stock to establish a net zero suitability metric for SAC estate</p> <ol style="list-style-type: none"> 1. Assess core, flex, and tail properties utilising in-house expertise 2. Link with office rationalisation work, asset management plan delivery, and capital program 3. Identification of energy efficiency and heat decarbonisation options within SAC building stock 4. Support sustainability work on delivery of net zero timelines 5. Timeline – 2025-2027 	New Action
<p>The LHEES work has provided a broad picture of heat decarbonisation in South Ayrshire however this cannot be delivered in a vacuum. Additional considerations of electricity capacity, gas networks, renewable generation, potential hydrogen resources, EV infrastructure, and the built environment require the strategy to sit within this wider context.</p>	<p>Assess the suitability of the Local Area Energy Planning (LAEP) framework as a full or partial supplement to the existing LHEES work.</p> <ol style="list-style-type: none"> 1. Engage with Scottish LAs with existing published LAEP documents – Oct 2026 2. Assess suitability in SAC for a partial or complete LAEP – Oct 2027 3. Timeline – 2026-27 	New Action

3.7 These actions, if agreed will be formatted and added to the LHEES delivery plan, for further review in August 2026.

4. Proposals

4.1 Members are asked to:

4.1.1 note the current and ongoing work delivered through and in partnership with the LHEES as set out in Table 1; and

4.1.2 approve the proposed new actions, objectives, and timescales as set out in Table 2.

5. Legal and Procurement Implications

5.1 The recommendations in this report are consistent with legal requirements.

5.2 The recommendations in this report are consistent with procurement requirements.

6. Financial Implications

6.1 The LHEES officer post has continued funding from Scottish Government until 2029

6.2 If agreed, actions will be delivered through existing resources.

6.3 Any grant awards will be made conditional to satisfaction of Minimum Financial Assistance (MFA) requirements under section 36(1) of the Subsidy Control Act 2022.

7. Human Resources Implications

7.1 The LHEES officer post has continued funding from Scottish Government until 2029.

8. Risk

8.1 Risk Implications of Adopting the Recommendations

8.1.1 New risk(s) have been identified and assessed in line with the Council's risk management process. These will be managed within existing operational activities and reference to the status of mitigations will be available through the Housing, Operations and Planning Directorate Risk Register or the SAC Strategic Risk Register.

8.2 Risk Implications of Rejecting the Recommendations

8.2.1 In the case of new actions, the risk associate with rejecting the recommendation is the missed opportunity in developing a reactive program of works on decarbonisation. This increases the risk that the Council will not meet the Scottish Government target of 2038 for decarbonisation of heat, and its statutory obligations for net zero by 2045.

9. Integrated Impact Assessment (incorporating Equalities)

9.1 Our Integrated Impact Assessment (IIA) considers the following areas:

- Public Sector Equality Duty, Human Rights and Fairer Scotland Duty;
- United Nations Convention on the Rights of the Child (UNCRC);
- Sustainability, climate change and biodiversity;
- Potential impact on older people;
- Rural communities;
- Health and wellbeing;

- A trauma informed organisation; and
- The Promise.

9.2 The proposals in this report allow scrutiny of performance and update on delivery plan objectives. An integrated impact assessment has been completed and submitted accordingly.

10. Sustainable Development Implications

10.1 **Considering Strategic Environmental Assessment (SEA)** – The LHEES went through the SEA screening process in 2023 during strategy development. It was determined that the plan as outlined did not require further a full SEA. This progress and update report does not significantly alter the original plan.

11. Options Appraisal

11.1 An options appraisal has not been carried out in relation to the subject matter of this report.

12. Link to Council Plan

12.1 The matters referred to in this report contribute to Priorities 1, 2 and 3 of the Council Plan: Spaces and Places/ Moving around and the environment (Outcome 1), Live, Work, Learn (Outcome 2) and Civic and Community Pride (Outcome 3).

13. Link to Shaping Our Future Council Yes No

13.1 The matters referred to in this report contribute to the Council's transformation priority area(s): our assets and our delivery model, supporting energy efficiency, net zero targets, maximising asset use, sustainable development, and data and analytics development.

14. Results of Consultation

14.1 There has been no public consultation on the contents of this report.

14.2 Consultation has taken place with Councillor Martin Kilbride, Portfolio Holder for Buildings, Housing and Environment, and the contents of this report reflect any feedback provided.

Background Papers [Report to Cabinet of 16 January 2023 – Local Heat and Energy Efficiency Strategy and Delivery Plan and Consultation](#)

[Report to South Ayrshire Council \(Special\) of 19 August 2024 – South Ayrshire Council Local Heat and Energy Efficiency Strategy \(LHEES\) 2024 - 2029](#)

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