



**Local Heat and Energy  
Efficiency Strategy  
Delivery Plan**  
September 2024

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# Glossary

## Abbreviations

| Acronym  | Description  |
|----------|--|
| EES      | Energy Efficient Scotland                              |
| EESSH    | Energy Efficiency Standard for Social Housing          |
| EPC      | Energy Performance Certificate                         |
| EST      | Energy Saving Trust                                    |
| GIS      | Geographic Information System                          |
| HEES:ABS | Heat and Energy Efficient Scotland: Area Based Schemes |
| IZ       | Intermediate Zone                                      |
| LA       | Local Authority  |
| LHEES    | Local Heat and Energy Efficiency Strategy              |
| LPG      | Liquefied Petroleum Gas                                |
| mxd      | Map Exchange Document                                  |
| PEAT     | Portfolio Energy Analysis Tool                         |
| SAP      | Standard Assessment Procedure                          |
| ToC      | Table of Contents                                      |
| UPRN     | Unique Property Reference Number                       |

## Terms

| Terms                  | Description   |
|------------------------|---|
| Baselining             | Baselining is the purpose of understanding at local authority or strategic level, the current status of the buildings against the LHEES Considerations, Targets and Indicators.   |
| Building-level Pathway | As part of LHEES Stage 5, a building-level pathway is the outcome of the assessment undertaken using PEAT. It provides the likely energy efficiency retrofit technologies, as well as the low carbon heating system (where applicable) to support building level decarbonisation. |
| Criteria               | Criteria are the settings applied to the Indicators for each Consideration in order to support Baselining, Strategic Zoning   |

|                      |  |
|----------------------|--|
|                      | <p>and the identification of Delivery Areas. An example of Criteria is a simple “no” applied to the indicator of “wall insulation (Y/N)” to identify properties with uninsulated walls. Another example is the definition of an “anchor load” within the Heat Networks analysis, which applies a minimum threshold to the “heat demand” Indicator. The LHEES methodology provides a set of default Criteria that local authorities may wish to use, with flexibility to update and augment these to support local needs or for more focused analysis linked to specific actions and project identification within the Delivery Plan.</p> |
| Data - Alternative   | <p>Alternative data can overwrite the core data to improve accuracy (national to local level of detail, e.g. local housing data to overwrite fields in Home Analytics).</p>  |
| Data - Core          | <p>Core data is the data that is essential to complete the minimum requirements of the LHEES analysis. Core data will come from national datasets e.g. Home Analytics or the Scotland Heat Map.</p>  |
| Data - Supplementary | <p>Supplementary data allows inclusion of additional Indicators to inform specific, local targets; also, supplementary data can be used in GIS investigation to complement the Core analysis carried out in any assessment. An example of supplementary data would be the inclusion of a constraint’s appraisal as part of a heat network analysis.</p>  |
| Data Zone            | <p>Data zones are groups output areas which have populations of around 500 to 1,000 residents.</p>   |
| Delivery Area        | <p>Delivery areas are at a higher granularity than Strategic Zones. These spatial zones should set out clusters of buildings within a Strategic Zone or across the whole local authority that identify potential solution(s) at a delivery level. They will be an important starting point for identifying a range of projects, regulation and actions that are within the competence of the Scottish Government, local authorities and wider partners</p>   |

|                                |   |
|--------------------------------|---|
|                                | (included as actions to be developed in the LHEES Delivery Plan).   |
| Detailed practitioner approach | These Steps form part of the detailed practitioner approach in LHEES Stage 4, Generation of Initial Areas to set out particularly suitable heat network zones and to support project identification.  |
| Indicator                      | For a given Consideration, the purpose of an Indicator is:<br>1) to act as a key information field to help characterise and baseline the local authority.<br>2) to act as a key information field to support strategic zoning and generation of initial delivery areas.<br>3) if suitable, to act as a key information field to measure progress against Targets over the duration of the LHEES - set out in the LHEES Delivery Plan.<br>For some Considerations, one Indicator may be sufficient, but for others a range may be appropriate. |
| Intermediate Zone              | Intermediate zones are a statistical geography that are designed to meet constraints on population thresholds (2,500 - 6,000 household residents), to nest within local authorities, and to be built up from aggregates of data zones.  |
| LHEES Considerations           | The LHEES Considerations are a list of technologies, building typologies and policy priorities used to identify and target interventions. They include:<br><ul style="list-style-type: none"> <li>- Heat networks</li> <li>- Off-gas grid buildings</li> <li>- On-gas grid buildings</li> <li>- Poor building energy efficiency</li> <li>- Poor building energy efficiency as a driver for fuel poverty</li> <li>- Mixed-tenure, mixed-use and historic buildings</li> </ul>  |
| LHEES Delivery Plan            | An LHEES Delivery Plan is a document setting out how a local authority proposes to support implementation of its local heat and energy efficiency strategy.   |
| LHEES Guidance                 | The LHEES Guidance sets out the production and content requirements for a local authority to prepare a Local Heat and Energy Efficiency Strategy and Delivery Plan. Its purpose is to ensure  |

|  |   |
|--|---|
|  | that a Local Heat and Energy Efficiency Strategy and Delivery Plan contain outcomes and actions that are backed up by robust data and analysis, supported by stakeholder engagement, and that are linked to national and local priorities, plans and targets.   |
| LHEES Methodology                              | The LHEES Methodology is a more detailed, step by step approach, which includes models, tools and templates, and represents best practice in how to produce an LHEES in accordance with the requirements set out in the LHEES Order and Guidance.   |
| LHEES Stages                                   | <p>There are 8 LHEES Stages proposed in this methodology. The purpose of the LHEES Methodology is to enable the local authority to complete LHEES Stages 1 to 6. The completion of these Stages will provide the local authority with the data analysis and evidence base to enable them to complete their LHEES Strategy and Delivery Plan documentation. There are two LHEES reporting templates included alongside this methodology– LHEES Strategy example template and LHEES Delivery Plan example template. The completion of these two templates will satisfy the completion of LHEES Stages 7 and 8. The 8 LHEES Stages proposed in this methodology are:</p> <ol style="list-style-type: none"> <li>1 - Policy and strategy review</li> <li>2 - Data and tools library</li> <li>3 - Strategic zoning and pathways</li> <li>4 - Generation of initial delivery areas</li> <li>5 - Building-level pathway assessment</li> <li>6 - Finalisation of delivery areas</li> <li>7 - LHEES Strategy</li> <li>8 - LHEES Delivery Plan</li> </ol> |
| LHEES Strategy                                 | <p>An LHEES Strategy is a long-term strategic framework for:</p> <ul style="list-style-type: none"> <li>- the improvement of the energy efficiency of buildings in the local authority's area, and</li> <li>- the reduction of greenhouse gas emissions resulting from the heating of such buildings</li> </ul>   |
| Mixed-tenure, mixed-use and historic buildings | Mixed-tenure and mixed-use buildings could include a mixture of owner   |

|                 |   |
|-----------------|---|
|                 | <p>occupied, private rented and social housing, and non-domestic uses, or simply multiple ownership within the same tenure. Historic buildings include the buildings that are within conservation areas or those that are listed buildings. These categories may require established alternative approaches and regulation for the installation of low carbon heat and energy efficiency solutions and where specific advice and support might be available relating to the installation of these solutions.</p>  |
| Potential Zones | <p>The analysis carried out for strategic zoning and pathways for the heat networks Consideration is to identify potential zones rather than the otherwise used naming convention of Delivery Areas. The potential zones identified are to be included in the LHEES Strategy and should inform actions around further investigation / progression within the LHEES Delivery Plan. The heat networks Consideration analysis and activity carried out within LHEES is also anticipated to support activity related to formal zone designation as required by the Heat Networks (Scotland) Act 2021.</p> |
| Raster          | <p>A matrix of squares, or grid, used as a method of data analysis in GIS. Each cell in the grid contains a value representing information on the cell's contents.</p>  |
| Strategic Zone  | <p>Strategic Zones present a visualisation of the potential pathways to decarbonise the building stock at a local authority level. These could, for example, be split out by intermediate zone or data zone. They are useful to understand the baseline performance, the scale of potential and initial areas of focus, which could be used to inform Delivery Areas and follow on engagement.</p>  |
| Targets         | <p>Targets are the measurable aspect of the Consideration and are likely to be taken directly from national and/or local policy documentation, for example net-zero by 2045, or EPC C by 2040. Targets are likely to comprise of end-point targets and milestone targets and would sit along a timeline within (and beyond) the</p>   |

|           |  |
|-----------|--|
|           | LHEES. This timeline would help to prioritise the types of projects undertaken within the LHEES over its duration.   |
| Weighting | For some Considerations, one Target and Indicator may be sufficient, but for others a range of Indicators may be appropriate to contextualise and characterise performance against a Target and/or progress towards a Consideration. If multiple Indicators are used in strategic zoning or the identification of delivery areas, a Weighting can be applied based on the importance of each. The LHEES methodology sets out a core set of default Weightings for instances where multiple Indicators are suggested as a default setting. There is flexibility to update and augment these to support local needs or for more focused analysis linked to specific actions and project identification within the Delivery Plan. |

# Executive Summary

## Purpose of the Delivery Plan

Local Heat and Energy Efficiency Strategies (LHEES) are at the heart of a place based, locally-led, and tailored approach to the energy transition. The aim of LHEES is to provide a long-term and evidence-based plan for decarbonising heat in buildings and improving their energy efficiency across an entire local authority area. LHEES are primarily driven by Scotland's statutory targets for greenhouse gas emissions reduction and fuel poverty:

- Net zero emissions by 2045 and 75% reduction by 2030
- In 2040, as far as reasonably possible, no household in Scotland is in fuel poverty

This LHEES Delivery Plan should be considered in conjunction with Orkney Islands Council's LHEES Strategy. The Delivery Plan explains how the Council will support implementation of the LHEES. It identifies areas for targeted intervention through early, low-regrets measures to improve energy efficiency and decarbonise heat in buildings. This is the first LHEES Delivery Plan, and it focuses initially on immediate and medium term (5-year) actions. The Council has identified four main priorities for the LHEES, which have been further developed in Sections 5-8:

- **Priority A:** Making Orkney's homes energy efficient
- **Priority B:** Alleviating fuel poverty
- **Priority C:** Improving carbon efficiency in non-domestic Council buildings
- **Priority D:** Exploring heat networks for Council buildings

This Delivery Plan sets out the Council's approach to delivering the LHEES over the next five years. The Council's approach is to primarily prioritise heat network development to achieve building level decarbonisation across the county. Furthermore, the Delivery Plan examines levels of energy efficiency across all property tenures in Orkney. At this early stage in the LHEES process, many of the actions detailed in this plan are developmental or reflect projects and initiatives which are already underway. The analysis undertaken to date as part of the LHEES process will be further expanded to develop a more detailed and strategic delivery framework. This will form the basis of the next iteration of the LHEES, which will be reviewed at least annually.

## Delivery Plan layout

The actions and delivery areas in this Delivery Plan are split into the following sections:

- Heat networks
- Energy efficiency in homes
- Non-domestic Council buildings
- Electrification of heat in homes

For each chapter, the actions are summarised in a table format shown below. Actions have been prioritised as one of:

- **Immediate:** actions already in progress
- **Short-term:** to be implemented in the next two years.
- **Medium-term:** to be implemented in the next three to five years.

| Action                                 | Priority                            | Description  | Responsibility                | Key stakeholders                              | Measure of success                          |
|--|-------------------------------------|--|-------------------------------|---|---|
| Action required to implement the LHEES | Immediate / Medium-term / Long-term | Additional detail of how the Council and its partners will achieve this. | Lead responsible for delivery | Key stakeholders to engage on specific action | How LA will know goal of action is achieved |

## Delivery Plan scope and limitations

The LHEES is being developed in the context of changing national policies, targets and funding. Multiple relevant national policies and their specific targets are under review, such as the Heat in Buildings Bill and the Net Zero Standard for Social Housing (SHNZS). Equally, established targets have been pulled, such as the Scottish Government’s interim target to reduce greenhouse gas emissions by 75% by 2030. Many actions described in the Delivery Plan are subject to Scottish Government funding for local authorities, such as Home Energy Efficiency Programmes for Scotland: Area Based Schemes.

LHEES is also a new type of policy for local authorities. Many of the actions set out in this document pull together existing actions from other policies. Others focus on laying the groundwork for collaboration between Council teams and other organisations to achieve the goals set out in LHEES. As the Strategy and Delivery Plan are reviewed in future years and as work progresses, the Council intends to use LHEES to develop new heating and energy efficiency projects.

## Orkney Islands Council’s LHEES

### LHEES Priorities

Orkney Islands Council’s key priorities for this LHEES have been informed by the six LHEES considerations (detailed in the LHEES Strategy), the local policy context, stakeholder engagement, and analysis of the building stock in Orkney Islands Council. The Council has identified four priorities for the first LHEES.

#### Summary of Priority A: Making Orkney’s homes energy efficient

Improving the energy efficiency of homes decreases the demand for energy, reduces fuel poverty, and addresses climate change. Orkney Islands Council has made significant improvements to the energy efficiency of domestic properties. However, a significant number of privately rented and owner-occupied properties require improved insulation.

### **Summary of Priority B: Alleviating fuel poverty**

The LHEES presents an opportunity to address the high levels of fuel poverty within Orkney. The Council has worked through a range of programmes to target support to fuel poor households. The Council has made the removal of energy efficiency as a driver of fuel poverty a priority within the LHEES strategy.

### **Summary of Priority C: Improving carbon efficiency in non-domestic Council buildings**

The Council operates and leases a number of non-domestic buildings across Orkney. As the owner of these buildings, it is the Council's responsibility to ensure these buildings become net zero by 2045. Replacing heating systems with zero direct emissions heating will be essential to this. Improving the energy efficiency of these buildings will help reduce the cost of running them.

### **Overview of Priority D: Exploring heat networks for Council buildings**

Heat networks can provide reliable and decarbonised heating to Council buildings. Developing heat networks in Orkney is a challenge because buildings are not densely located and there are issues with the geology of the area. However, there are some Council buildings that will need to replace their heating systems to a decarbonised heating source. Heat networks may provide a viable option for these buildings to meet Scottish Government decarbonised heating requirements.

## **Implementation and governance**

The implementation of the LHEES will be driven by Orkney Islands Council. The LHEES requires a collaborative cross-sectoral approach, engaging with partners and stakeholders to achieving the goals set out.

The LHEES will be integrated into existing steering groups and governance structure for sustainable development and climate change this will ensure the strategy can develop as priorities develop and legislative requirements dictate.

| Action   | Priority  | Description  | Responsibility | Key stakeholders                          | Measures of success  |
|--|-----------|--|----------------|---|--|
| Identify leads and champions for the actions arising from the Delivery Plan  | Immediate | These will be appointed at Executive Director or Head of Service level.  | OIC            | Executive directors and heads of services | Each action in delivery plan has confirmed champion.<br><br>Meetings scheduled to support champions to deliver actions.                |
| LHEES governance arrangements put in place                                   | Immediate | LHEES to be integrated into existing Steering Group and governance structure for Sustainable Development and Climate Change (SDCC) | OIC            | Steering Groups                           | Orkney Islands Council to meet with all steering groups to ensure integration of LHEES plans   |
| Develop a monitoring and evaluation framework for the LHEES delivery actions | Immediate | For delivery actions, identify the owner and the indicators to be measured.  | OIC            | OIC                                       | Orkney Islands Council review framework and create system to ensure it is reviewed on ongoing basis.                                   |
| Annual review of Delivery Plan and review of the Strategy every five years   | Immediate | Update and amend both documents in light of regulatory changes. Identify local targets.  | OIC            | OIC and partner organisations             | Orkney Islands Council to set up system to prepare and deliver workshop with key stakeholders to review LHEES plans on an annual basis |

## Engagement Approach

The LHEES Strategy and Delivery Plan have been developed in consultation with stakeholders across Orkney, and through the public engagement strategy. Implementation will also be a collaborative effort.

A key priority for the delivery of the LHEES is for the Council to develop an engagement strategy. This will draw on the stakeholder identification and mapping work which took place as part of the LHEES development. Key stakeholder groups that the Council will work with include:

- Local community groups
- Public sector partners
- Housing providers
- Delivery partners
- Electricity network operators
- Local businesses
- Advice organisations

| Priority stakeholders       | Specific outcomes of engagement  | Stakeholder priorities                             | Existing methods of engagement   | Action                 |
|-----------------------------|--|--|----------------------------------|------------------------|
| OHAL                        | Develop closer working between OIC and OHAL on Energy Efficiency programmes            | Improve energy efficiency of social housing stock  | <i>Scheduled regular meeting</i> | <i>OIC to initiate</i> |
| Warmworks<br>Managing Agent | Delivery of HEES:ABS Programme   | Improve energy efficiency of private housing stock | <i>Progress meetings</i>         | <i>Underway</i>        |
| ICNZ                        | Work with ICNZ on the sharing of data and development of data processing opportunities | Progress towards Net Zero targets                  | <i>Scheduled regular meeting</i> | <i>OIC to initiate</i> |

|      |  |   |  |                        |
|------|--|---|--|------------------------|
| THAW | Develop existing referral system                 | Alleviation of Fuel Poverty                             | <i>Scheduled regular meeting</i>       | <i>OIC to initiate</i> |
| SSEN | Development of LENZA scenarios for future energy | Delivery of electrical network to meet Net Zero targets | <i>Upload anticipated future loads</i> | <i>OIC Action</i>      |

## Heat network delivery areas

Section 47 of the Heat Networks (Scotland) Act<sup>1</sup> states that each local authority is required to carry out a review to consider whether one or more regions in its area are likely to be particularly suitable for the construction and operation of a heat network. This should be done within the Local Heat & Energy Efficiency Strategy. Following this review, the Act requires that a decision is made (by the local authority or Scottish Ministers) to consider designation of areas as Heat Network Zones. The local authority must publish a statement in relation to each area considered which provides a rationale for decisions made.

## Approach to selecting heat network delivery areas

As part of the LHEES process, Changeworks conducted GIS analysis using Scotland Heat Map data to create initial heat network delivery areas. The analysis used heat load data from non-domestic public and semi-public buildings.

The Council and Changeworks delivered a workshop to share the findings with key stakeholders in LHEES Stage 6. This included Orkney Housing Association Limited (OHAL), Warmworks, Aquatera, and members of relevant local authority departments. This allowed a collaborative sense checking process to take place and allowed us to see if the outputs reflected the local knowledge and knowledge of those involved. Changeworks highlighted the limitations of non-domestic datasets, and the need for data to be collected in potential areas through a process such as Building Assessment Reports (BARs), to assess the suitability of a non-domestic property for connecting to a heat network. The primary use of BARs information is to inform decisions on the suitability of areas for the construction and operation of a heat network, and subsequently to inform designation decisions should these areas be progressed for consideration for designation. Following further communication with the council, Changeworks updated several anchor load data addressing any heat load inaccuracies and missing anchor loads.

The outputs of the LHEES data analysis are provided in Section 5.1. Following a review of the outputs, the Council have identified the key heat networks they are interested in exploring further which is discussed in Section 5.2.

<sup>1</sup> [Heat Networks \(Scotland\) Act 2021, Scottish Government.](#)

# Heat network analysis based on LHEES methodology

## Limitations

The LHEES methodology for heat network analysis identifies potential high heat load areas suitable for heat network development for the Council to explore. These only account for non-domestic semi-public or public buildings where heat supply is not needed 24 hours a day. Any commercial, privately owned buildings that often come with large heat demands are not accounted for in this analysis. Buildings like this may be suitable for heat network developments.

Additionally, the Scotland Heat Map data that is used as the basis of this analysis may not capture the most up-to-date heat demands of buildings.

Lastly, the recommended practice for zoning heat networks is to apply a linear heat density of 4,000 kWh/yr/m for more rural local authority areas. However, when applied to Orkney, the outputs indicate that there are likely to be no heat network opportunities suitable for economic development. The linear heat density was therefore reduced to 3,000 kWh/yr/m to explore more potential heat network opportunities.

Because of these limitations, the Council has made the decision to not designate heat network zones at this time but have narrowed down specific areas in which potential heat networks may be a solution to meet net zero ambitions, based on knowledge of the area and data outputs. These are explored in the next section.

## Priority heat networks

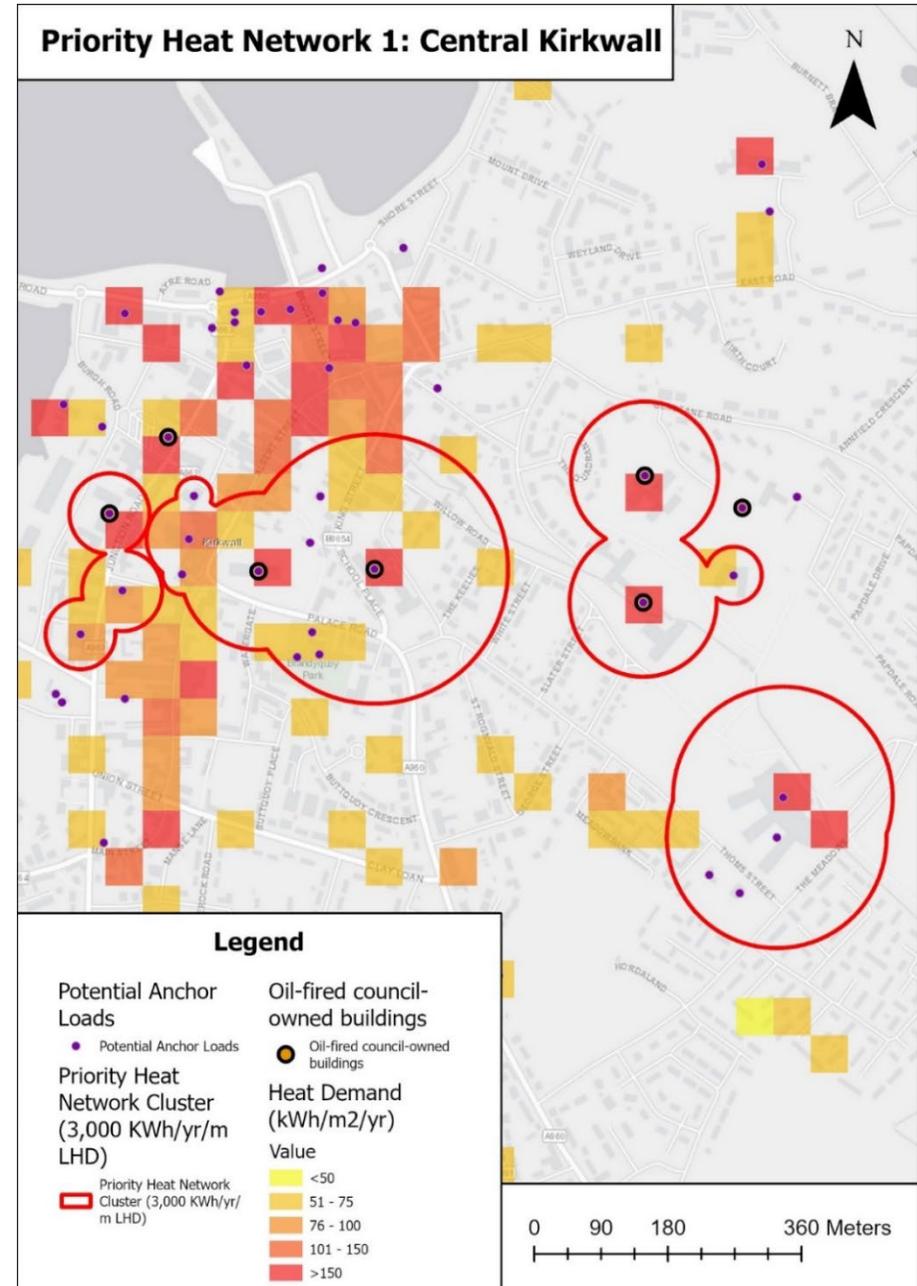
The LHEES analysis has identified two indicative heat network zones in Orkney that are the priority for further investigation and development. Despite inherent challenges in the shortlisting process due to sparse heating demand, priority heat networks were identified based on the possibility of replacing oil fired Council buildings with heat networks. The proximity of non-domestic public buildings such as leisure centres and schools also contribute to efforts in making the networks as efficient as possible, while offering potential connection to upcoming new housing developments.

For a detailed insight into the methodology for heat network identification, refer to the Appendices of the Strategy Document.

## Heat Network Zone 1: Central Kirkwall

The Central Kirkwall indicative heat network zone is represented at four separate heat networks, with a total combined area of 24 hectares, however the Council are exploring these in tandem as one larger heat network. Within the outlined zone there are 21 non-domestic public buildings registering a total estimated annual heat demand of 5,911 MWh/yr. The cluster is marked by a few pockets of very high heat demand (above 150 kWh/m<sup>2</sup>/yr) while moderate heat demand (51-75 kWh/m<sup>2</sup>/yr) underpins the majority of the zone. The two key anchor loads underpinning this area are the Council Offices (1,206 MWh/yr) and the Papdale Primary School (981 MWh/yr). The Council Offices and Papdale Primary School are currently heated using heating oil. The Council will need to change this heating system in coming years to meet net zero targets. The Council will also explore opportunities to connect the Kirkwall Grammar School (heated with LPG), special needs new build near Papdale Primary School, and Papdale Halls (heated with LPG).

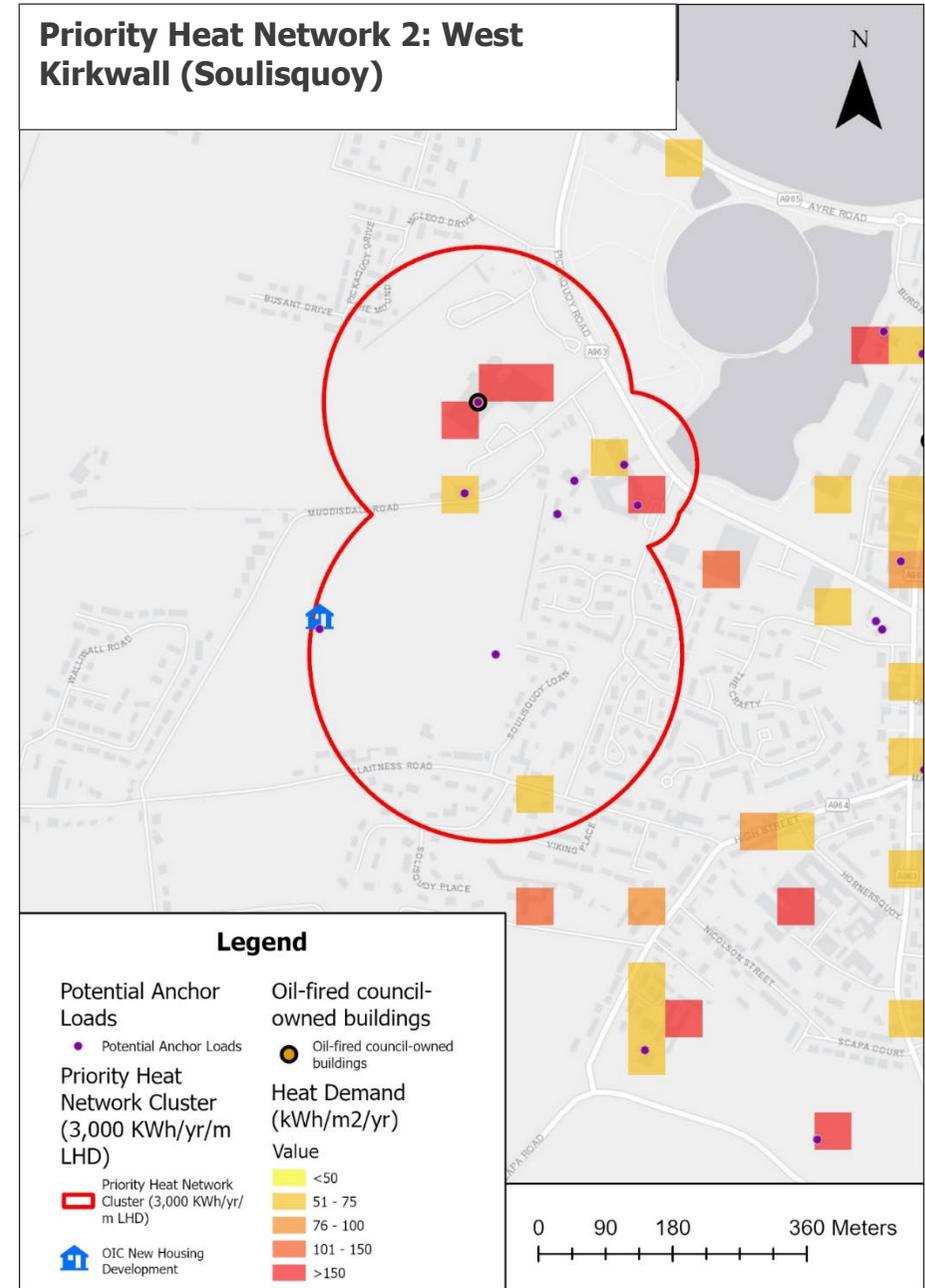
|                                     |                  |
|-------------------------------------|------------------|
| Zone Name                           | Central Kirkwall |
| Zone Area (ha)                      | 23.8             |
| Count of Anchor Loads               | 21               |
| Estimated Zone Heat Demand (MWh/yr) | 5,911            |



## Heat Network Zone 2: West Kirkwall

The West Kirkwall (Soulisquoy) indicative heat network zone has an area of 32.2 hectares. Within the outlined zone there are 7 non-domestic public buildings registering a total estimated annual heat demand of 4,809 MWh/yr. The cluster is marked by a few pockets of very high heat demand (above 150 kWh/m<sup>2</sup>/yr). The two key anchor loads underpinning this area include the new care home (805 MWh/yr) and Pickaquoy Centre (2,976 MWh/yr). The Pickaquoy Centre is currently heated with heating oil, and the Council will need to change this heating system in coming years to meet net zero targets. The Council will also explore options to connect the new housing development to this potential heat network.

|                                     |               |
|-------------------------------------|---------------|
| Zone Name                           | West Kirkwall |
| Zone Area (ha)                      | 32.2          |
| Count of Anchor Loads               | 7             |
| Estimated Zone Heat Demand (MWh/yr) | 4,809         |



## Further heat network opportunities

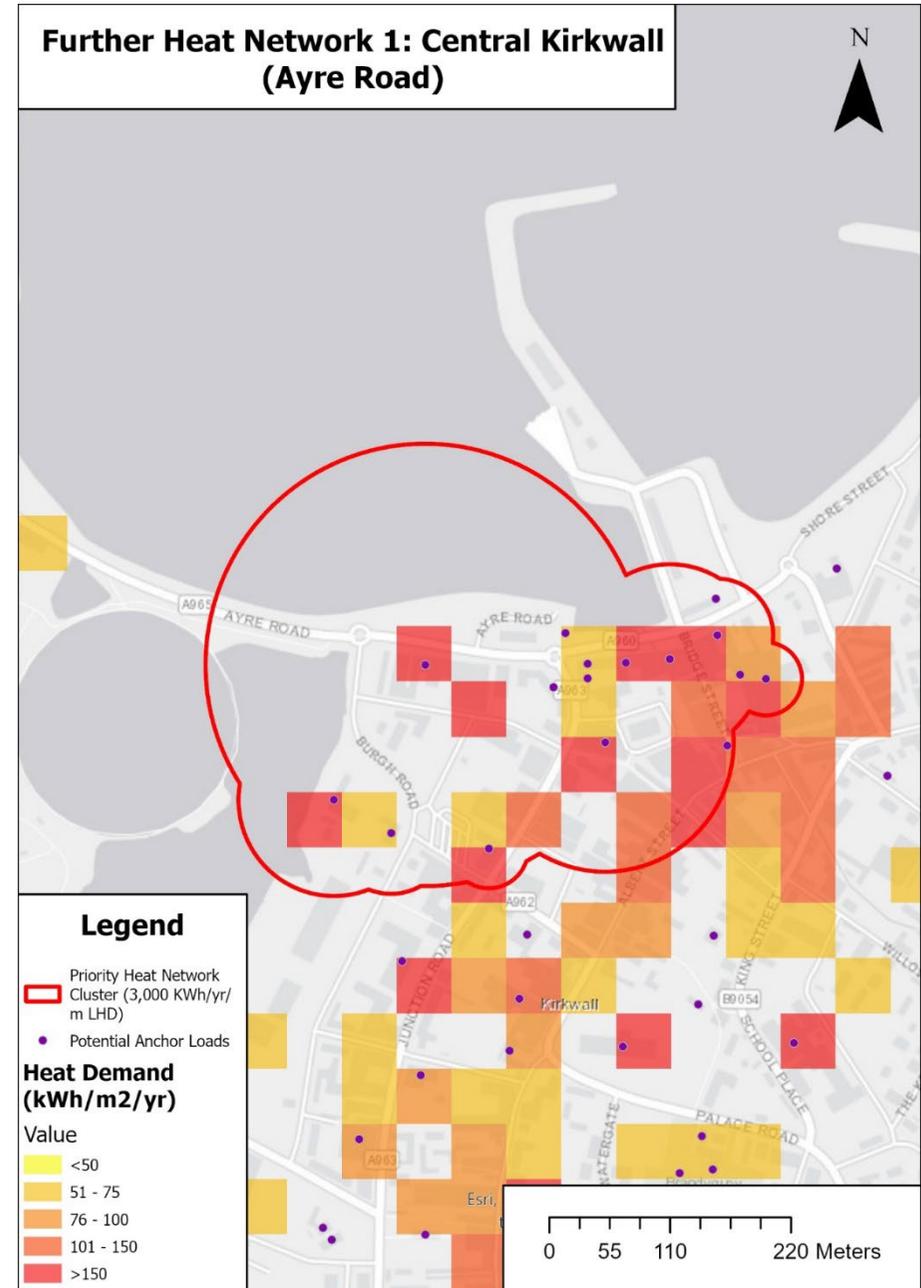
The following three indicative heat network zones have lower heat demands than the priority two clusters shown above and should be considered as additional opportunities. Further exploration will be required to assess viability of these opportunities. This is likely to include:

- Determining existing system capacity
- Site inspections
- Design considerations such as heat source appraisal (e.g. ASHP, GSHP), energy centre location and layout, grid capacity constraints, pipework distribution routes, operating temperatures, individual building upgrades required (e.g. heat interface unit installation)
- Techno-economic analysis
- Funding options and commercial delivery mechanism analysis

### Further Heat Network Zone 1: Central Kirkwall (North Harbour – Ayre Road)

This indicative heat network zone has a high density of heat demand as indicated by the large presence of connecting red rasters in the map below. The area is underpinned by 16 non-domestic anchor loads including the Kirkwall Police Station, Fire Station and travel centres. The next step for the Council is to explore the viability of this development in line with commercial activity in the area. The heat network also neighbours the Central Kirkwall heat network and more longer-term action could be to explore the possibility for connection between these two.

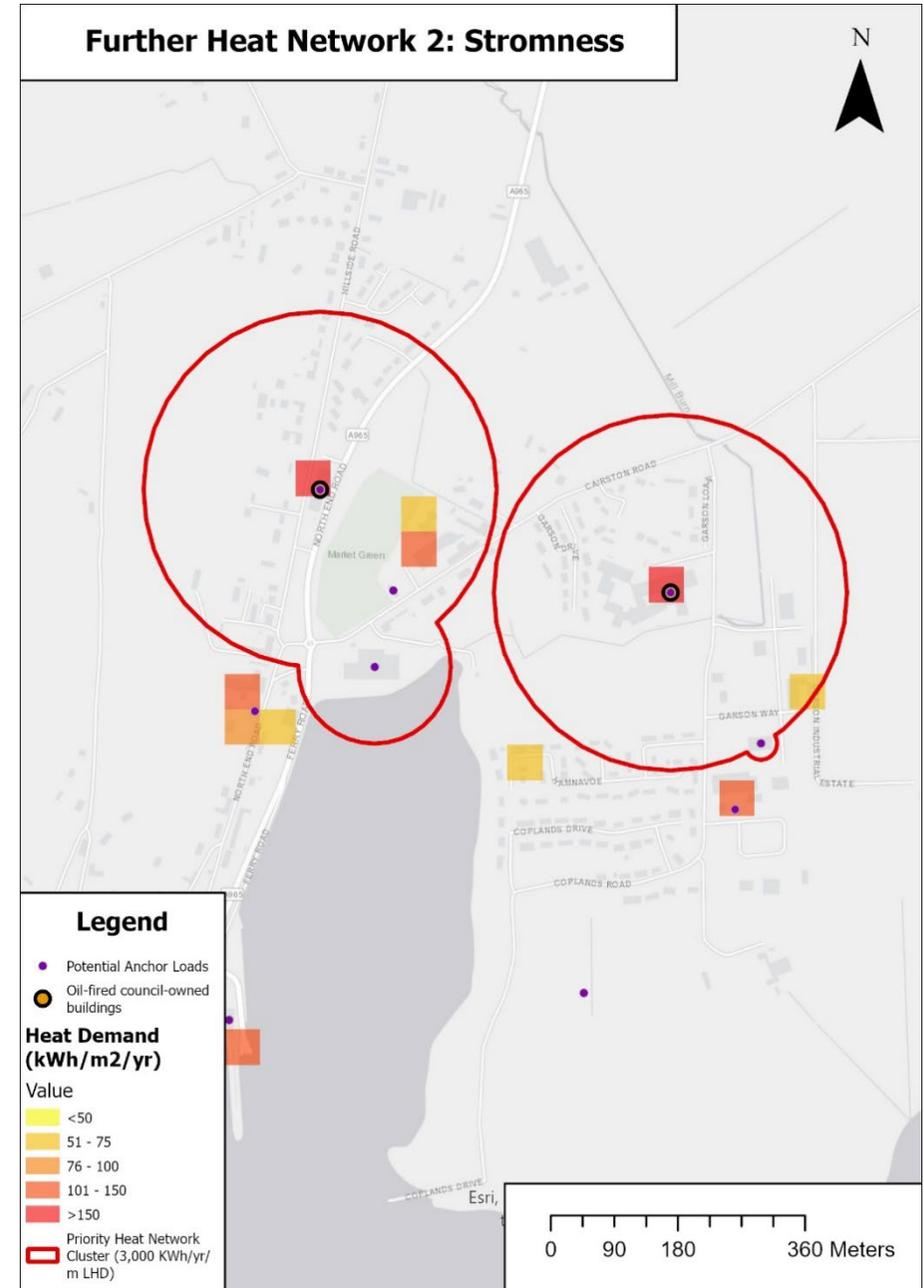
|                                     |                               |
|-------------------------------------|-------------------------------|
| Zone Name                           | Central Kirkwall (Soulisquoy) |
| Zone Area (ha)                      | 16.1                          |
| Count of Anchor Loads               | 16                            |
| Estimated Zone Heat Demand (MWh/yr) | 2,277                         |



## Further Heat Network Zone 2: Stromness

The Stromness indicative heat network zone is indicated by two individual heat networks, but the Council are exploring whether these can be looked at in tandem as one bigger zone. Currently, the clusters are marked by a sparse distribution of high heat demand as indicated by individual red cells in the map below. The area is underpinned by five non-domestic anchor loads including the Stromness Primary School, Stromness Academy and Stromness Swimming Pool. The latter two buildings are currently heated with heating oil. The Council will need to change these heating systems in coming years to meet net zero targets. Stromness Primary School is also nearby, and the Council will explore options to connect this building, which is currently heated with LPG. Further exploration of the viability of development in this indicative zone is required.

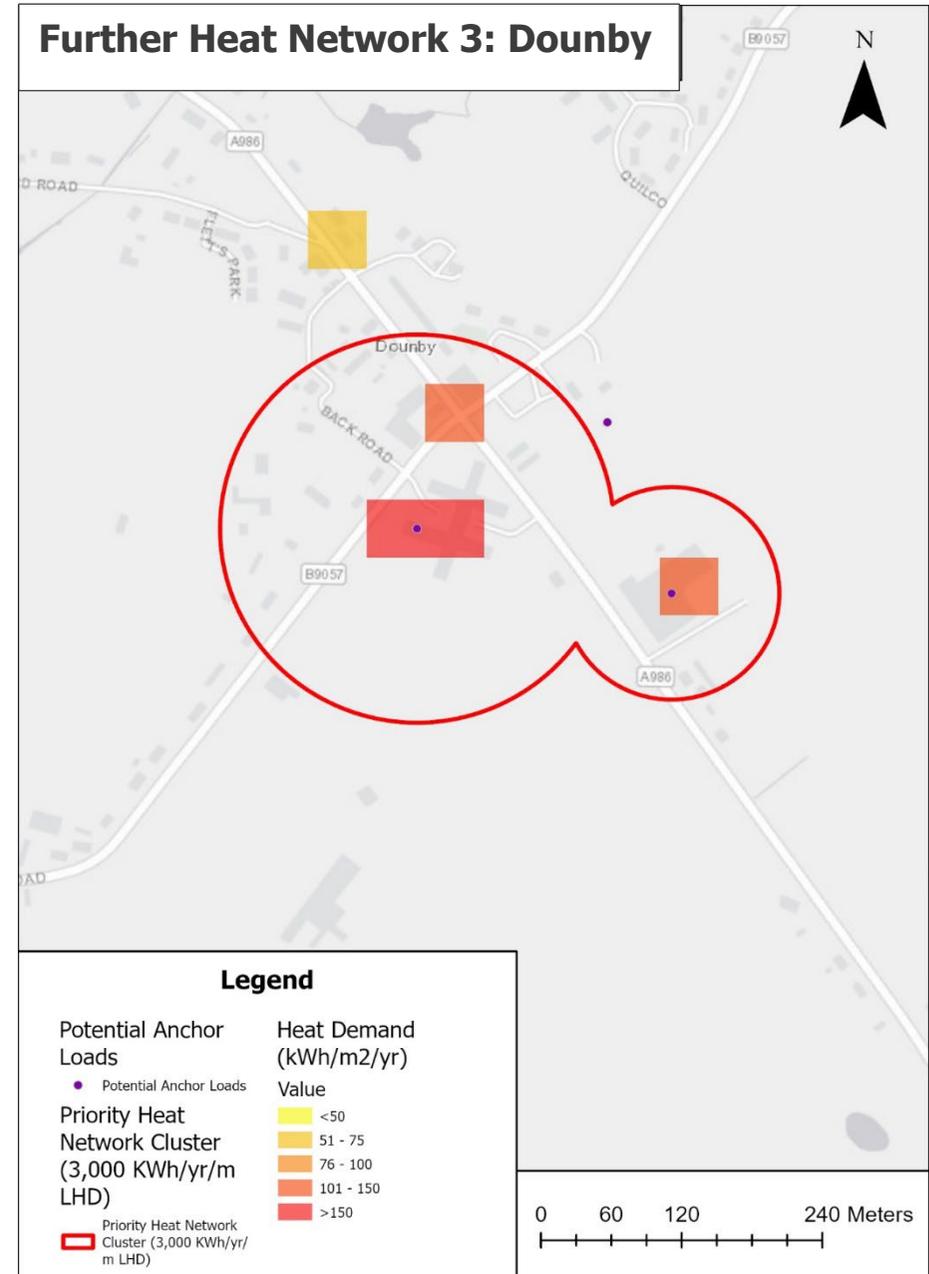
|                                     |           |
|-------------------------------------|-----------|
| Zone Name                           | Stromness |
| Zone Area (ha)                      | 41.4      |
| Count of Anchor Loads               | 5         |
| Estimated Zone Heat Demand (MWh/yr) | 3,021     |



### Further Heat Network Zone 3: Dounby

The Dounby indicative heat network zone is marked by a sparse distribution of high heat demand as indicated by individual red cells in the map below. The area is underpinned by two non-domestic anchor loads consisting of Dounby Surgery and Dounby Primary School. Dounby Primary School is currently heated using a boiler plant. The Council will need to change the heating system in coming years to meet net zero targets. There is also a care home in Dounby that the Council may explore connecting to. Further exploration of the viability of development in this indicative zone is required.

|                                     |        |
|-------------------------------------|--------|
| Zone Name                           | Dounby |
| Zone Area (ha)                      | 11.2   |
| Count of Anchor Loads               | 2      |
| Estimated Zone Heat Demand (MWh/yr) | 782    |



## Heat networks of interest for Orkney Islands Council

Due to the limitations of the heat network data analysis, the Council has narrowed down the list of heat networks to focus on in the near term. These two heat networks of interest are in central and western Kirkwall.

### Central Kirkwall

The Council is interested in exploring a heat network in Central Kirkwall similar to the one identified in the LHEES analysis. However, they have amended the list of potential anchor loads:

- Council Offices KW15 1NY
- St Magnus Cathedral KW15 1DH
- Papdale Halls of Residence KW15 1JR
- Old PHOR (special needs school) KW15 1NA
- Papdale Primary School KW15 1PJ
- Kirkwall Grammar School KW15 1QN
- Papdale House KW15 1LJ

### West Kirkwall

The Council is interested in exploring the heat network identified in the LHEES analysis. The potential anchor loads are:

- Pickaquoy Centre KW15 1LR
- St Colms Centre KW15 1RP
- Glaitness Primary KW15 1RP
- Keelylang KW15 1RP
- New Care Home
- New Housing Development

## Actions for heat networks

| Action   | Priority    | Description   | Responsibility | Key stakeholders                     | Measure of success                                 |
|--|-------------|---|----------------|--------------------------------------|--|
| Consider Central Kirkwall heat network zone          | Immediate   | The Council is having internal discussions about the Central Kirkwall potential heat network zone.  | OIC            | OIC<br>Fire & Police<br>Hoteliers    | Commission feasibility studies                     |
| Engineering assessment                               | Immediate   | The Council is undertaking an engineering assessment for a heat network to service OIC schools and the Council Office in Kirkwall.  | OIC            | OIC                                  | Complete engineering assessment                    |
| Feasibility studies for housing developments         | Medium-term | Commission a feasibility study on using ambient heat networks to supply heat pumps as an alternative to bore hole schemes.  | OIC            | OIC<br>OHAL<br>Construction Partners | Commission feasibility studies                     |
| Feasibility study in Hoy for wind to heat network    | Medium-term | Carry out a feasibility study on wind to heat network scheme covering North Walls School and surrounding properties in Hoy.   | OIC            | OIC<br>HWDT                          | Commission feasibility study                       |
| Finstown waste heat opportunity                      | Medium-term | Investigate Finstown Transmission sub-station as a waste heat opportunity for a heat network.   | OIC            | OIC<br>SSEN                          | Open dialogue with SSEN                            |
| Communal heating for Council social housing clusters | Medium-term | Investigate viability of small-scale communal heating for clusters of Council social housing. For example, communal heat pump system for a small group of neighbouring Council homes. | OIC            | OIC<br>OHAL<br>Construction Partners | Identify viable clusters for further investigation |
| Central Kirkwall heat network                        | Long-term   | Development of Kirkwall Town Centre heat network, subject to positive feasibility study and business case.  | OIC            | OIC<br>Heat network operator         | Completion of heat network in Central Kirkwall     |

|   |           |   |     |                              |  |
|---|-----------|---|-----|------------------------------|--|
| Feasibility study in Stromness                | Long-term | Commission a feasibility study to explore the Stromness heat network (Further heat network 2 above.)      | OIC | OIC<br>Heat network operator | Commission a feasibility study                       |
| Feasibility study in Dounby                   | Long-term | Commission a feasibility study to explore the Dounby heat network (Further heat network 3 above.)         | OIC | OIC<br>Heat network operator | Commission a feasibility study                       |
| Explore heat network options for Pierowall    | Long-term | Investigate a sea water source heat network at the care home and Westray Junior High School in Pierowall. | OIC | OIC<br>Heat network operator | Commission a feasibility study                       |
| Explore heat networks for domestic properties | Long-term | Investigate heat network options that would connect to domestic properties in Orkney.                     | OIC | OIC<br>Heat network operator | Identification of possible feasibility study options |

## Funding for heat networks

Currently there is an under-developed pipeline of heat network projects across Scotland. The Scottish Government is providing funding to stimulate and accelerate the development and growth of heat networks, as detailed below. Significant investment from the private sector and heat network developers is also required to achieve heat network deployment at the scale required to reach the national targets of 2.6 TWh of heat output by 2027 and 6 TWh of output by 2030.

**Scotland's Heat Network Fund** is designed to support the development and roll out of heat networks across Scotland. It is open to any organisation seeking to develop and deploy heat networks in Scotland. In total £300 million is being made available to stimulate investment and grow the low carbon heat sector. Applications can be made for enabling costs, commercialisation costs, and capital costs. The SHNF will only support projects that would not progress without capital grant funding or would not progress to the same scale. Therefore, applicants to the scheme need to clearly demonstrate the how the grant money will be used to expand the project outcomes and provide evidence the value of the grant is appropriate. Up to a maximum of 50% of the total eligible capital costs can be covered through this fund.

**The Heat Network Support Unit** identifies, supports, and develops heat network projects for the public sector. The support available includes expert advice and grant funding to develop projects until they have a clear financial strategy and well-defined business model. The unit is active in project identification, aggregation, and stakeholder engagement and can support with working group management, stakeholder workshops, and policy linkage and review. The Heat Network Support Unit is no longer accepting applications for funding for the 2024-25 financial year. The unit is still accepting applications for advisory-only support and discussions on potential future applications.

# Improving energy efficiency in homes

Improving the energy efficiency of buildings reduces heat demand, whilst simultaneously addressing fuel poverty and climate change. Orkney Islands Council has made significant improvements to the energy efficiency of domestic and non-domestic properties. However, a significant number of privately rented and owner-occupied properties require improved insulation.

Overall, analysis of Energy Performance Certificate (EPC) data from Home Analytics shows that energy efficiency is worse on the islands than on the mainland. This section provides energy efficiency data by island for the Council and other stakeholders to plan energy efficiency projects on a geographic basis.

## How criteria were chosen

As part of standard Stage 4 LHEES methodology published by the Scottish Government, the energy efficiency delivery area outputs demonstrate and advise the Council on small-scale areas of domestic properties where energy efficiency projects could be initiated and delivered. The energy efficiency delivery areas are marked based on an equal weighted combination taking into account wall insulation, loft insulation, and window glazing statuses. The Council further opted to explore this by property tenure type: social housing, owner-occupied and privately rented sectors. The output of the modelling work did not identify any geographically specific areas but simply showed a uniform level of energy efficiency over areas, resulting in no clear project opportunities.

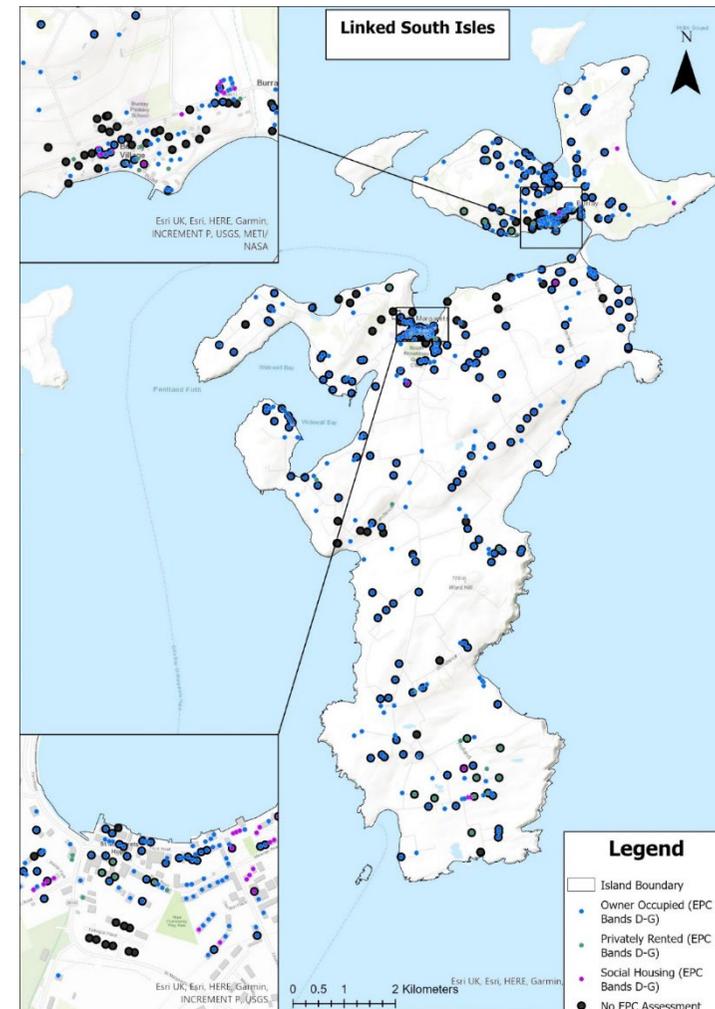
As an alternative, EPC data was used as a proxy for energy efficiency. Instead of delivery area maps, EPC maps were created. The maps display EPC bands D-G to identify the Council's poorest quality stock and are also further broken down into their respective property tenure. Another criteria included mapping domestic properties where EPC assessments had not been carried out. Both of these criteria were ultimately combined into one map output. The geographical focus for these maps remain in the 11 outer islands in Orkney as historically, domestic properties here have faced greater levels of fuel poverty. The Council hopes to utilise these maps to identify and provide comparison between the islands where opportunities for immediate EPC assessments could be carried out, and to determine who to approach for matched incentive to install heat pumps.

# Energy efficiency delivery areas

## Linked South Isles

The majority of the Linked South Isles is made up of owner-occupied domestic properties. Only 51% of properties have had an EPC assessment. Owner occupied EPC Band E properties comprise the greatest group that do not have EPC assessments. More work should be encouraged to increase EPC assessment uptake in this tenure.

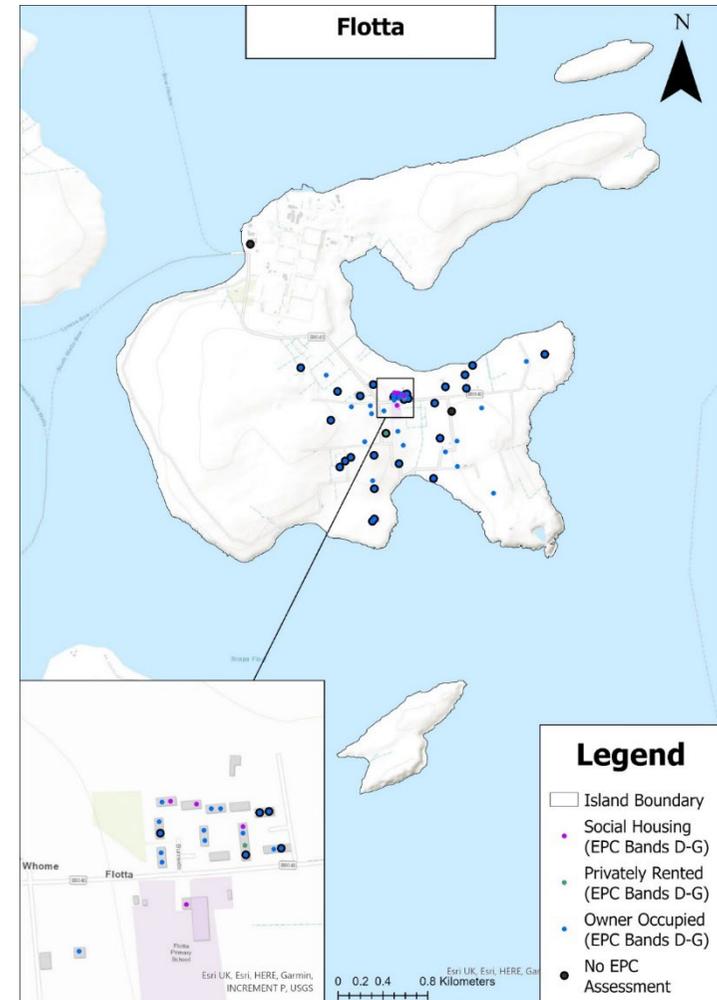
| Linked South Isles |       |          |                  |       |
|--------------------|-------|----------|------------------|-------|
| Valid EPC          | Count | EPC Band | Tenure           | Count |
| Yes                | 279   | D        | Owner Occupied   | 68    |
|                    |       |          | Privately Rented | 7     |
|                    |       |          | Social Housing   | 27    |
|                    |       | E        | Owner Occupied   | 86    |
|                    |       |          | Privately Rented | 9     |
|                    |       |          | Social Housing   | 1     |
|                    |       | F-G      | Owner Occupied   | 69    |
|                    |       |          | Privately Rented | 7     |
|                    |       |          | Social Housing   | 5     |
| No                 | 266   | D        | Owner Occupied   | 59    |
|                    |       |          | Privately Rented | 1     |
|                    |       |          | Social Housing   | 4     |
|                    |       | D        | Owner Occupied   | 130   |
|                    |       |          | Privately Rented | 11    |
|                    |       |          | Social Housing   | 4     |
|                    |       | F-G      | Owner Occupied   | 46    |
|                    |       |          | Privately Rented | 8     |
|                    |       |          | Social Housing   | 3     |



## Flotta

Owner occupied properties make up the majority of domestic properties in Flotta, followed by social housing, privately rented properties have the least presence. Only 57% of properties have had an EPC assessment. EPC Band E owner occupied housing has the greatest number of properties that do not have EPC assessments, and work could be done to ensure assessments are carried out.

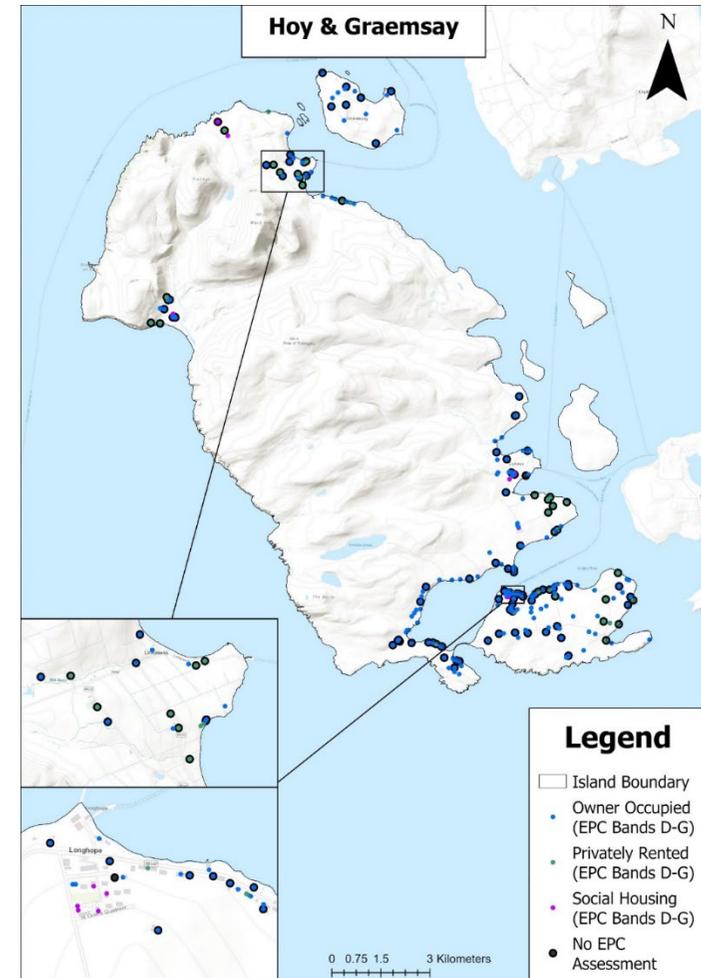
| Flotta    |       |          |                  |       |
|-----------|-------|----------|------------------|-------|
| Valid EPC | Count | EPC Band | Tenure           | Count |
| Yes       | 30    | D        | Owner Occupied   | 12    |
|           |       |          | Privately Rented | 1     |
|           |       |          | Social Housing   | 3     |
|           |       | E        | Owner Occupied   | 10    |
|           |       |          | Privately Rented | 0     |
|           |       |          | Social Housing   | 1     |
|           |       | F-G      | Owner Occupied   | 3     |
|           |       |          | Privately Rented | 0     |
|           |       |          | Social Housing   | 0     |
| No        | 27    | D        | Owner Occupied   | 2     |
|           |       |          | Privately Rented | 0     |
|           |       |          | Social Housing   | 0     |
|           |       | E        | Owner Occupied   | 24    |
|           |       |          | Privately Rented | 1     |
|           |       |          | Social Housing   | 0     |
|           |       | F-G      | Owner Occupied   | 0     |
|           |       |          | Privately Rented | 0     |
|           |       |          | Social Housing   | 0     |



## Hoy and Graemsay

Owner occupied properties make up the majority of domestic properties in Hoy and Graemsay. 43% of properties have not had EPC assessments due to long-term tenancies. EPC Bands E and F-G owner occupied properties make up the largest proportion of these unassessed properties.

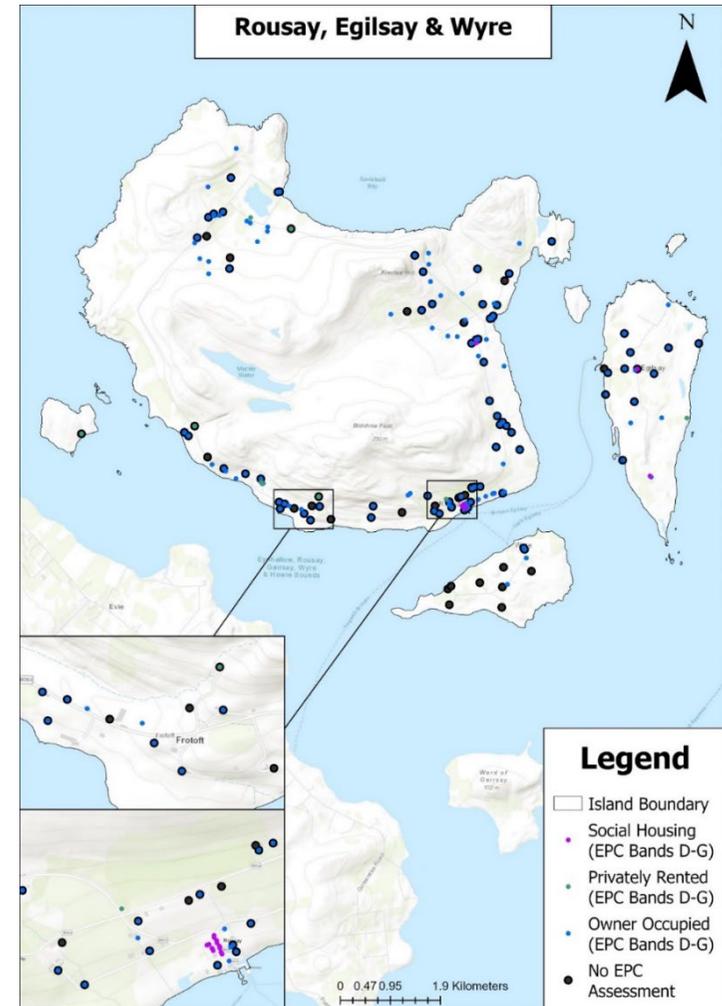
| Hoy and Graemsay |       |          |                  |       |
|------------------|-------|----------|------------------|-------|
| Valid EPC        | Count | EPC Band | Tenure           | Count |
| Yes              | 146   | D        | Owner Occupied   | 40    |
|                  |       |          | Privately Rented | 8     |
|                  |       |          | Social Housing   | 7     |
|                  |       | E        | Owner Occupied   | 35    |
|                  |       |          | Privately Rented | 4     |
|                  |       |          | Social Housing   | 7     |
|                  |       | F-G      | Owner Occupied   | 42    |
|                  |       |          | Privately Rented | 1     |
|                  |       |          | Social Housing   | 2     |
| No               | 112   | D        | Owner Occupied   | 9     |
|                  |       |          | Privately Rented | 2     |
|                  |       |          | Social Housing   | 2     |
|                  |       | E        | Owner Occupied   | 44    |
|                  |       |          | Privately Rented | 13    |
|                  |       |          | Social Housing   | 0     |
|                  |       | F-G      | Owner Occupied   | 22    |
|                  |       |          | Privately Rented | 20    |
|                  |       |          | Social Housing   | 0     |



## Rousay, Egilsay and Wyre

Only 33% of domestic properties in Rousay, Egilsay and Wyre do not have EPC assessments. EPC Bands E and F-G owner occupied properties make up the largest proportion of these unassessed properties.

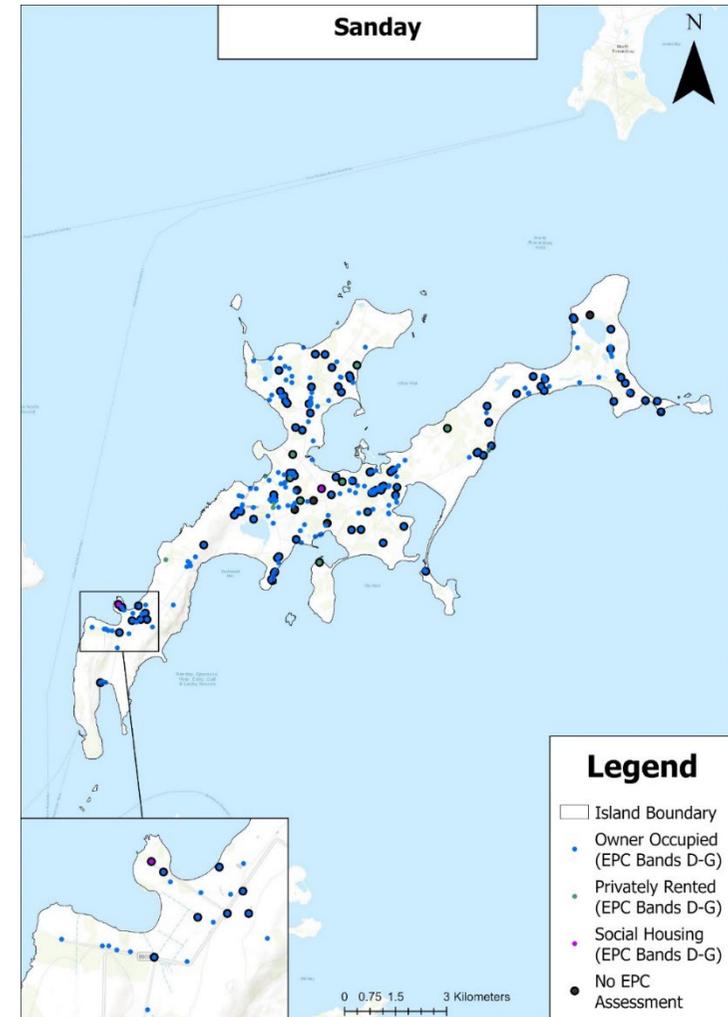
| Rousay, Egilsay and Wyre |       |          |                  |       |
|--------------------------|-------|----------|------------------|-------|
| Valid EPC                | Count | EPC Band | Tenure           | Count |
| Yes                      | 73    | D        | Owner Occupied   | 12    |
|                          |       |          | Privately Rented | 1     |
|                          |       |          | Social Housing   | 12    |
|                          |       | E        | Owner Occupied   | 19    |
|                          |       |          | Privately Rented | 1     |
|                          |       |          | Social Housing   | 2     |
|                          |       | F-G      | Owner Occupied   | 23    |
|                          |       |          | Privately Rented | 3     |
|                          |       |          | Social Housing   | 0     |
| No                       | 36    | D        | Owner Occupied   | 0     |
|                          |       |          | Privately Rented | 1     |
|                          |       |          | Social Housing   | 0     |
|                          |       | E        | Owner Occupied   | 9     |
|                          |       |          | Privately Rented | 2     |
|                          |       |          | Social Housing   | 0     |
|                          |       | F-G      | Owner Occupied   | 22    |
|                          |       |          | Privately Rented | 1     |
|                          |       |          | Social Housing   | 1     |



## Sanday

Domestic properties that do not have EPC assessments are in the minority (40%). EPC Band E owner occupied properties make up the largest proportion of these unassessed properties, followed by EPC Band D and F-G owner occupied properties.

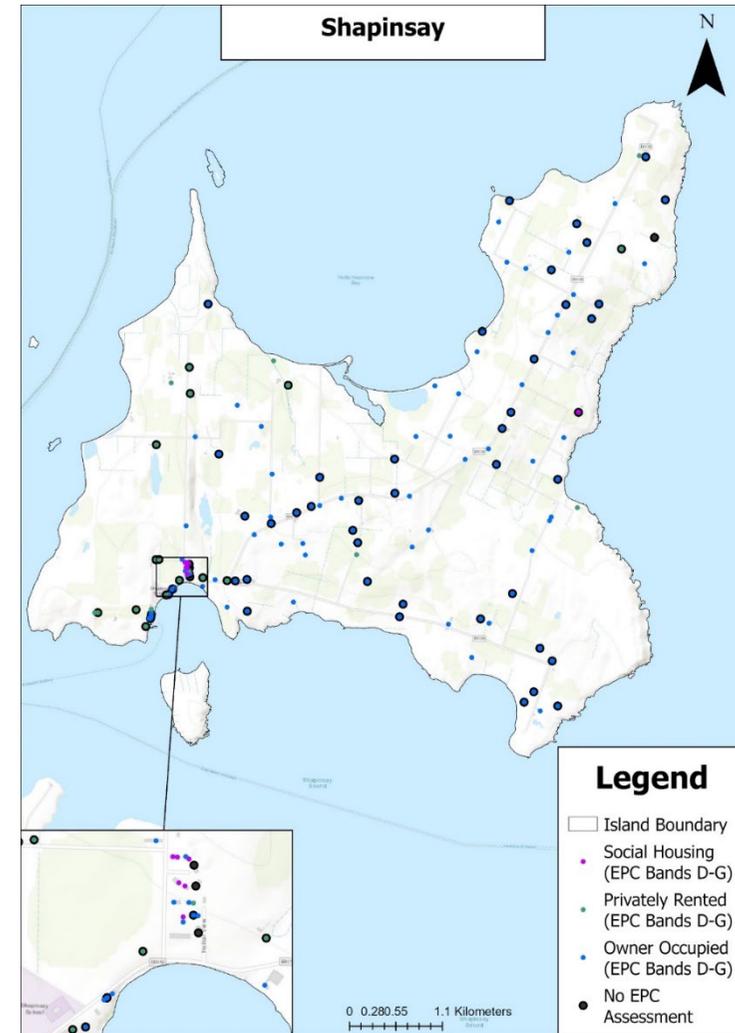
| Sanday    |       |          |                  |       |
|-----------|-------|----------|------------------|-------|
| Valid EPC | Count | EPC Band | Tenure           | Count |
| Yes       | 150   | D        | Owner Occupied   | 45    |
|           |       |          | Privately Rented | 1     |
|           |       |          | Social Housing   | 2     |
|           |       | E        | Owner Occupied   | 51    |
|           |       |          | Privately Rented | 3     |
|           |       |          | Social Housing   | 0     |
|           |       | F-G      | Owner Occupied   | 45    |
|           |       |          | Privately Rented | 3     |
|           |       |          | Social Housing   | 0     |
| No        | 98    | D        | Owner Occupied   | 16    |
|           |       |          | Privately Rented | 0     |
|           |       |          | Social Housing   | 0     |
|           |       | E        | Owner Occupied   | 63    |
|           |       |          | Privately Rented | 5     |
|           |       |          | Social Housing   | 2     |
|           |       | F-G      | Owner Occupied   | 10    |
|           |       |          | Privately Rented | 2     |
|           |       |          | Social Housing   | 0     |



## Shapinsay

In Shapinsay, 78% of properties are owner occupied properties and 44% have EPC assessments. Of the 44% of domestic properties without EPC assessments, 31% fall in the EPC Band E owner occupied category.

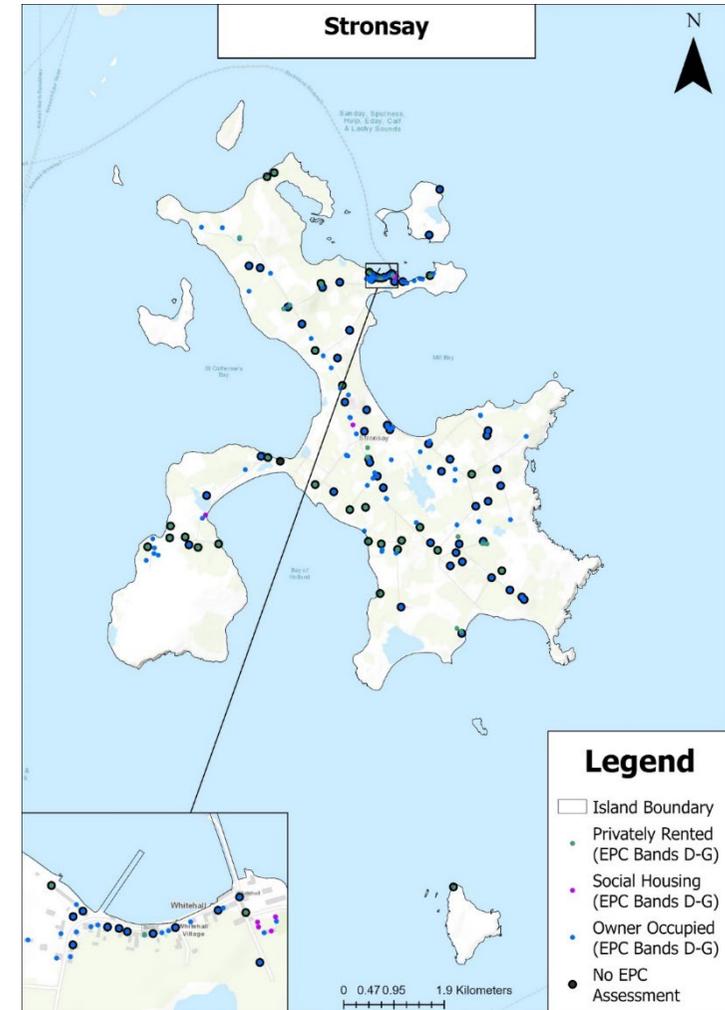
| Shapinsay |       |          |                  |       |
|-----------|-------|----------|------------------|-------|
| Valid EPC | Count | EPC Band | Tenure           | Count |
| Yes       | 76    | D        | Owner Occupied   | 15    |
|           |       |          | Privately Rented | 5     |
|           |       |          | Social Housing   | 4     |
|           |       | E        | Owner Occupied   | 31    |
|           |       |          | Privately Rented | 3     |
|           |       |          | Social Housing   | 3     |
|           |       | F-G      | Owner Occupied   | 14    |
|           |       |          | Privately Rented | 1     |
|           |       |          | Social Housing   | 0     |
| No        | 60    | D        | Owner Occupied   | 3     |
|           |       |          | Privately Rented | 1     |
|           |       |          | Social Housing   | 0     |
|           |       | E        | Owner Occupied   | 42    |
|           |       |          | Privately Rented | 12    |
|           |       |          | Social Housing   | 0     |
|           |       | F-G      | Owner Occupied   | 1     |
|           |       |          | Privately Rented | 1     |
|           |       |          | Social Housing   | 0     |



## Stronsay

74% of properties are owner occupied in Stronsay, of which 41% have an EPC. Just under half of all properties in the island do not have EPC assessments. Most of these are EPC Band E and F-G owner occupied properties. There is also a relatively high count of EPC Band E privately rented properties with unconfirmed assessments.

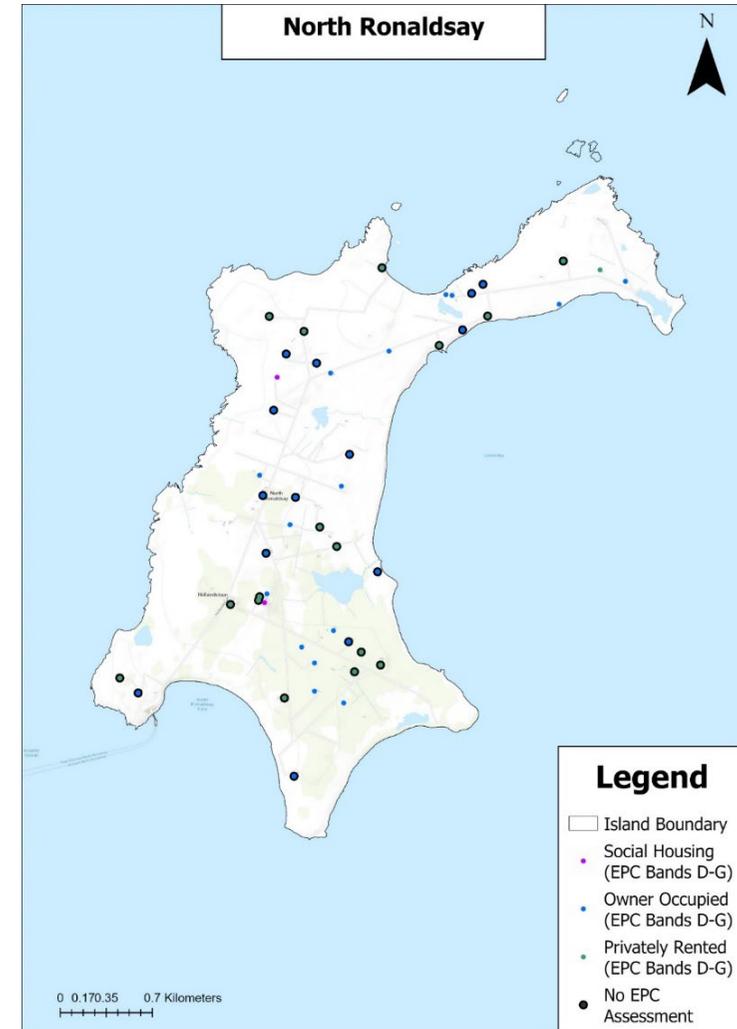
| Stronsay  |       |          |                  |       |
|-----------|-------|----------|------------------|-------|
| Valid EPC | Count | EPC Band | Tenure           | Count |
| Yes       | 90    | D        | Owner Occupied   | 9     |
|           |       |          | Privately Rented | 1     |
|           |       |          | Social Housing   | 4     |
|           |       | E        | Owner Occupied   | 33    |
|           |       |          | Privately Rented | 5     |
|           |       |          | Social Housing   | 0     |
|           |       | F-G      | Owner Occupied   | 30    |
|           |       |          | Privately Rented | 6     |
|           |       |          | Social Housing   | 2     |
| No        | 85    | D        | Owner Occupied   | 1     |
|           |       |          | Privately Rented | 0     |
|           |       |          | Social Housing   | 0     |
|           |       | E        | Owner Occupied   | 29    |
|           |       |          | Privately Rented | 24    |
|           |       |          | Social Housing   | 0     |
|           |       | F-G      | Owner Occupied   | 27    |
|           |       |          | Privately Rented | 4     |
|           |       |          | Social Housing   | 0     |



## North Ronaldsay

63% of domestic properties do not have EPC assessments. EPC Bands F-G owner occupied properties make up the largest proportion of these unassessed properties.

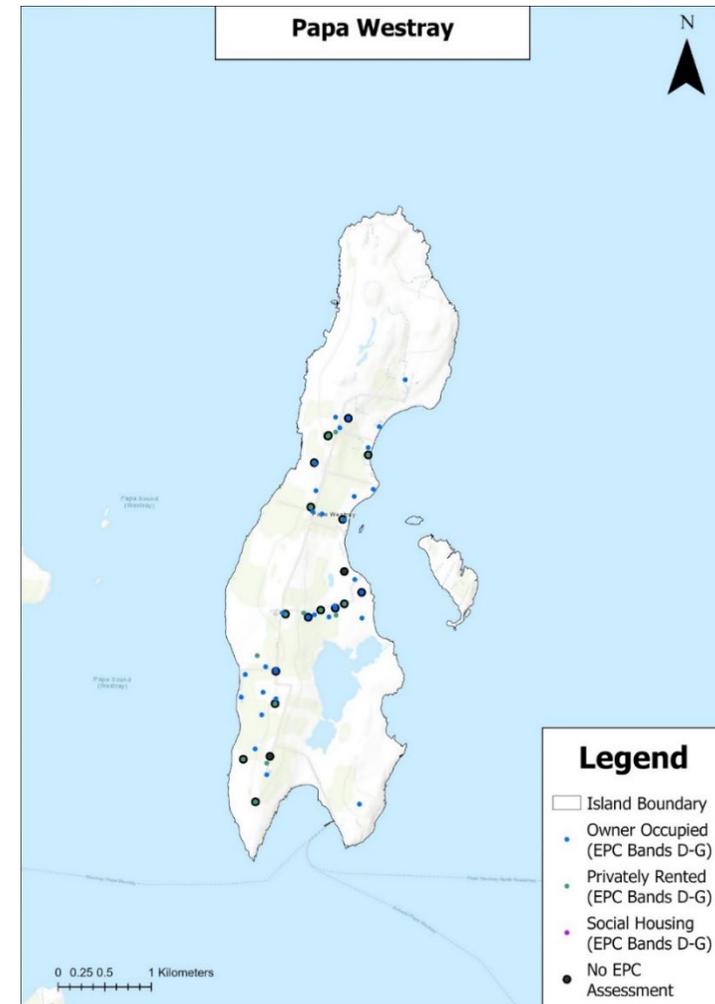
| North Ronaldsay |       |          |                  |       |
|-----------------|-------|----------|------------------|-------|
| Valid EPC       | Count | EPC Band | Tenure           | Count |
| Yes             | 18    | D        | Owner Occupied   | 2     |
|                 |       |          | Privately Rented | 0     |
|                 |       |          | Social Housing   | 1     |
|                 |       | E        | Owner Occupied   | 4     |
|                 |       |          | Privately Rented | 1     |
|                 |       |          | Social Housing   | 0     |
|                 |       | F-G      | Owner Occupied   | 9     |
|                 |       |          | Privately Rented | 0     |
|                 |       |          | Social Housing   | 1     |
| No              | 30    | D        | Owner Occupied   | 2     |
|                 |       |          | Privately Rented | 0     |
|                 |       |          | Social Housing   | 0     |
|                 |       | E        | Owner Occupied   | 2     |
|                 |       |          | Privately Rented | 8     |
|                 |       |          | Social Housing   | 0     |
|                 |       | F-G      | Owner Occupied   | 10    |
|                 |       |          | Privately Rented | 8     |
|                 |       |          | Social Housing   | 0     |



## Papa Westray

The majority of domestic properties are EPC Band E in Papa Westray. A third of properties do not have an EPC. Most of these are EPC Band E privately rented properties.

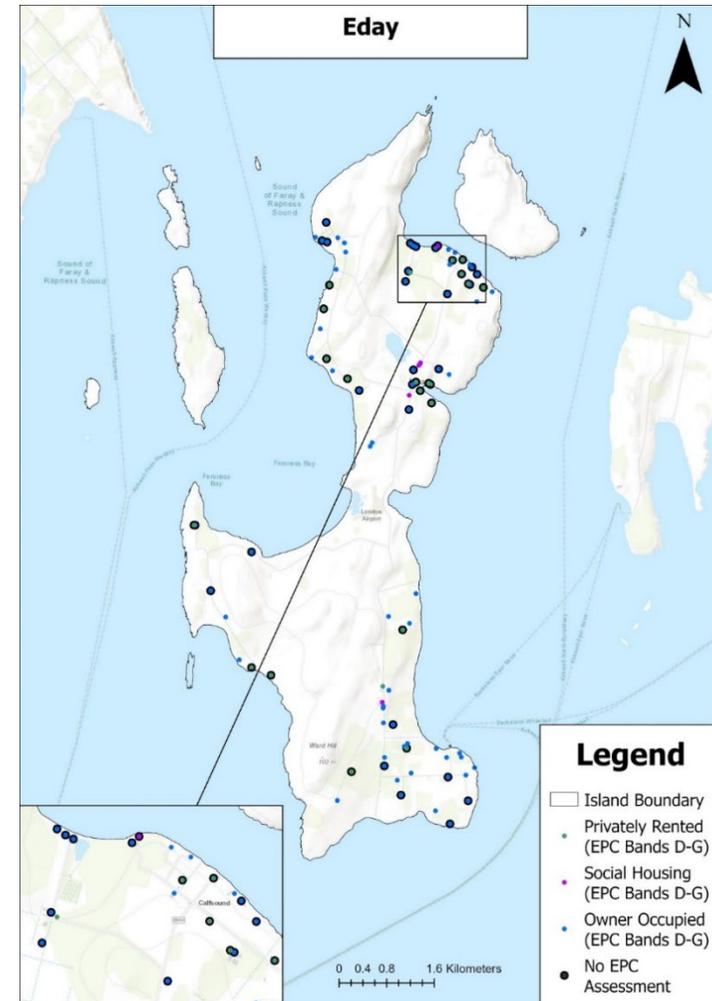
| Papa Westray |       |          |                  |       |
|--------------|-------|----------|------------------|-------|
| Valid EPC    | Count | EPC Band | Tenure           | Count |
| Yes          | 34    | D        | Owner Occupied   | 8     |
|              |       |          | Privately Rented | 4     |
|              |       |          | Social Housing   | 0     |
|              |       | E        | Owner Occupied   | 13    |
|              |       |          | Privately Rented | 0     |
|              |       |          | Social Housing   | 0     |
|              |       | F-G      | Owner Occupied   | 8     |
|              |       |          | Privately Rented | 1     |
|              |       |          | Social Housing   | 0     |
| No           | 17    | D        | Owner Occupied   | 0     |
|              |       |          | Privately Rented | 0     |
|              |       |          | Social Housing   | 0     |
|              |       | E        | Owner Occupied   | 5     |
|              |       |          | Privately Rented | 12    |
|              |       |          | Social Housing   | 0     |
|              |       | F-G      | Owner Occupied   | 0     |
|              |       |          | Privately Rented | 0     |
|              |       |          | Social Housing   | 0     |



## Eday

65% of domestic properties do not an EPC assessment in Eday. Over half (54%) of the properties are EPC Band F-G, with owner occupied and privately rented properties having the highest number of unassessed EPCs in this category.

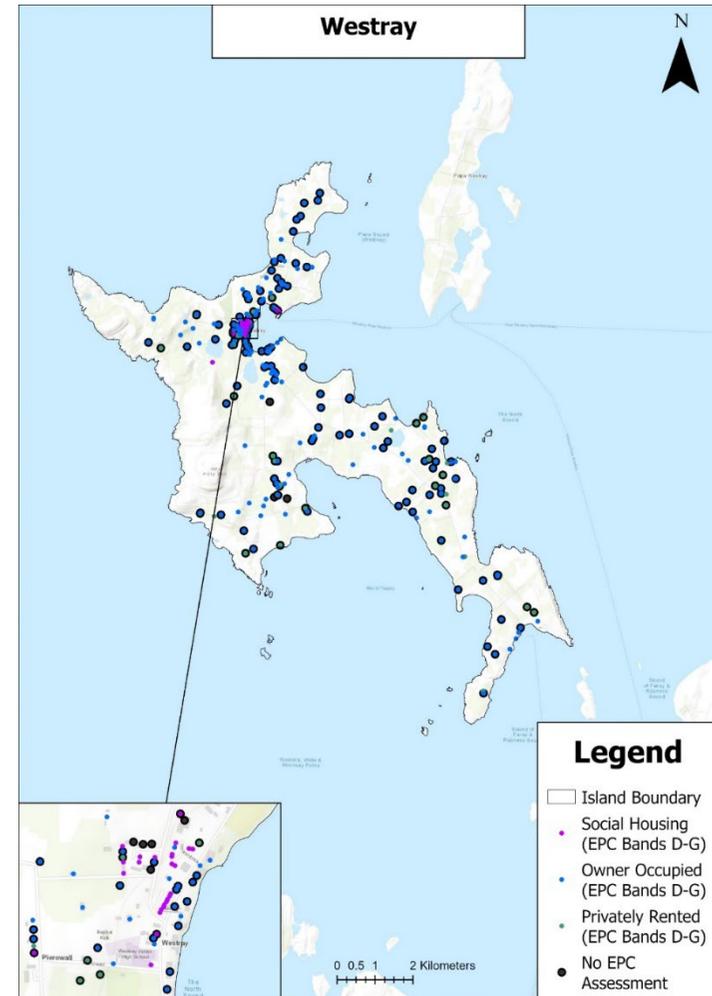
| Eday      |       |          |                  |       |
|-----------|-------|----------|------------------|-------|
| Valid EPC | Count | EPC Band | Tenure           | Count |
| Yes       | 25    | D        | Owner Occupied   | 0     |
|           |       |          | Privately Rented | 1     |
|           |       |          | Social Housing   | 4     |
|           |       | E        | Owner Occupied   | 0     |
|           |       |          | Privately Rented | 1     |
|           |       |          | Social Housing   | 0     |
|           |       | F-G      | Owner Occupied   | 18    |
|           |       |          | Privately Rented | 0     |
|           |       |          | Social Housing   | 1     |
| No        | 54    | D        | Owner Occupied   | 0     |
|           |       |          | Privately Rented | 2     |
|           |       |          | Social Housing   | 0     |
|           |       | E        | Owner Occupied   | 9     |
|           |       |          | Privately Rented | 0     |
|           |       |          | Social Housing   | 0     |
|           |       | F-G      | Owner Occupied   | 23    |
|           |       |          | Privately Rented | 19    |
|           |       |          | Social Housing   | 1     |



## Westray

Just over half (55%) of domestic properties do not an EPC assessment in Westray. Over a third (35%) of these properties have EPC Band E.

| Westray   |       |          |                  |       |
|-----------|-------|----------|------------------|-------|
| Valid EPC | Count | EPC Band | Tenure           | Count |
| Yes       | 127   | D        | Owner Occupied   | 31    |
|           |       |          | Privately Rented | 2     |
|           |       |          | Social Housing   | 23    |
|           |       | E        | Owner Occupied   | 35    |
|           |       |          | Privately Rented | 6     |
|           |       |          | Social Housing   | 1     |
|           |       | F-G      | Owner Occupied   | 26    |
|           |       |          | Privately Rented | 3     |
|           |       |          | Social Housing   | 0     |
| No        | 158   | D        | Owner Occupied   | 26    |
|           |       |          | Privately Rented | 13    |
|           |       |          | Social Housing   | 3     |
|           |       | E        | Owner Occupied   | 80    |
|           |       |          | Privately Rented | 18    |
|           |       |          | Social Housing   | 1     |
|           |       | F-G      | Owner Occupied   | 15    |
|           |       |          | Privately Rented | 2     |
|           |       |          | Social Housing   | 0     |



## Actions for energy efficiency

| Action  | Priority  | Description  | Responsibility | Key stakeholders                     | Measure of success  |
|---|-----------|--|----------------|--------------------------------------|---|
| Collaboration between OHAL and OIC                            | Immediate | The Council/OHAL will explore ways of collaborating on energy efficiency in social housing, including combined funding applications.   | OIC<br>OHAL    | OIC<br>OHAL                          | Decision made on focus and frequency of meetings.                             |
| Develop data sharing agreement for energy efficiency data     | Immediate | The Council will develop a data sharing agreement so the Council can share the data analysis from LHEES with relevant stakeholders.  | OIC            | OIC<br>EST<br>ICNZ                   | Data sharing agreement signed.  |
| Share energy efficiency data with Warmworks                   | Immediate | The Council will share energy efficiency data with the managing agent to support planning for the HEES:ABS scheme.   | OIC            | OIC<br>Managing agent                | Data shared.  |
| Share energy efficiency data with Islands Centre for Net Zero | Immediate | The Council will share energy efficiency data with the Islands Centre for Net Zero to support their energy data hub for Orkney, the Western Isles, and Shetland.   | OIC            | OIC<br>EST<br>ICNZ                   | Data shared.  |
| Addressing fuel poverty in social housing                     | Immediate | Planned maintenance activities for Council properties will address energy efficiency. The Council will focus on fabric insulation, air tightness, and efficiency of heating systems until the new Social Housing Net Zero Standard is announced. | OIC            | OIC<br>OHAL<br>Construction Partners | Improved fabric insulation, air tightness, and efficiency of heating systems. |

| Action                              | Priority  | Description  | Responsibility       | Key stakeholders   | Measure of success   |
|-------------------------------------|-----------|--|----------------------|--|--|
| Training for retrofit assessors     | Immediate | THAW is training retrofit assessors to offer more services to fuel poor households. More detailed assessments for homes in fuel poverty can help homes get more funding for retrofit projects. | THAW Orkney          | OIC<br>THAW  | Improved data on retrofit needs in Orkney.   |
| Third sector retrofit projects      | Immediate | THAW are starting retrofit projects for homes in fuel poverty. THAW focusses on projects that help households become eligible for other funding, such as HEES:ABS.                             | THAW Orkney          | OIC<br>THAW  | Increase in fuel poor households eligible and ready for energy efficiency schemes. |
| Collaboration for fuel poverty      | Immediate | A number of organisations are part of the Orkney Money Matters initiative to coordinate fuel poverty working in Orkney.  | Orkney Money Matters | OIC, The Orkney Partnership, Orkney Foodbank, NHS Orkney, Social Security Scotland, OHAL, The Trussell Trust | Increase in households supported.  |
| Walliwall housing development       | Immediate | OHAL will continue working on Walliwall Stage 9 housing project.   | OHAL                 | OHAL<br>Construction Partners  | Increase in number of energy efficient, new build homes.                           |
| Improve OHAL energy efficiency data | Immediate | OHAL to digitise data on their housing stock, like housing condition surveys. This will help OHAL understand the energy efficiency of their stock better.                                      | OHAL                 | OIC<br>OHAL  | Housing condition surveys will be fully digitised.                                 |

| Action  | Priority  | Description  | Responsibility | Key stakeholders                     | Measure of success   |
|---|-----------|--|----------------|--------------------------------------|--|
| <i>From Local Housing Strategy:</i>                         |           |  |                |                                      |  |
| Energy efficiency pilot projects on Council social housing  | Immediate | OIC has been trialling approaches to meet the higher energy efficiency standard, undertaking an individual assessment when a property becomes void and taking a Fabric First approach, coupled with fitting mechanical heat recovery ventilation systems to help maintain air quality alongside ensuring the provision of an efficient heating system. | OIC            | OIC<br>OHAL<br>Construction Partners | Identify viable approaches to energy efficiency retrofit in Council social housing properties. |
| <i>From Council Delivery Plan:</i>                          |           |  |                |                                      |  |
| Finalise decarbonisation of domestic Council social housing | Immediate | The Council will finalise programme of decarbonisation for Council-owned housing stock.  | OIC            | OIC<br>Construction Partners         | Publish programme of decarbonisation.  |
| Collect data on private rented sector interest in HEES:ABS  | Immediate | The Council to collect data from Warmworks on number of private rented sector landlords who enquired about HEES:ABS funding but were not eligible. This could identify potential projects in the private rented sector.  | OIC            | OIC<br>OHAL<br>Managing Agent        | Data obtained on private rented sector interest.   |
| Collaboration on energy efficiency standards                | Immediate | The Council to liase with OHAL to understand similarities and differences between energy efficiency standards across Orkney's social housing.  | OIC            | OIC<br>OHAL<br>Construction Partners | Clarify differences between Council and OHAL energy efficiency standards.                      |

| Action                                | Priority    | Description  | Responsibility        | Key stakeholders                        | Measure of success   |
|---------------------------------------|-------------|--|-----------------------|---|--|
| OHAL to submit SHNZHF bids            | Medium-term | OHAL will continue submitting bids to the Social Housing Net Zero Heat Fund for retrofit projects. They will focus on fabric measures, heat pumps, and high retention storage heaters.   | OHAL                  | OIC<br>OHAL                             | Funding awarded for retrofit work.   |
| Develop plan for social housing       | Medium-term | The Council and OHAL will develop delivery plans in line with new Social Housing Net Zero Standard (yet to be published by Scottish Government).   | OIC<br>OHAL           | OIC<br>OHAL                             | Delivery plans put in place to improve energy efficiency in social housing.      |
| Energy efficiency data pilot project. | Medium-term | Owner occupied and private rented homes have lower levels of EPC data. The Council is interested in undertaking a surveying project on one of the Northern Isles to provide more information on how energy efficiency can be improved across an entire island. | OIC                   | OIC<br>ICNZ<br>Local Development Trusts | Funding secured for a surveying project.   |
| Whole house energy assessments        | Medium-term | Reflex Orkney will introduce whole house energy assessments that provide a recommended list of measures for each building. People can use these recommendations to take advantage of funding when it becomes available.  | Reflex Orkney         | ReFlex Orkeny<br>OIC<br>ICNZ            | Whole house energy assessments available for domestic and commercial properties. |
| Increase HEES:ABS bid values          | Medium-term | OIC/Warmworks will scale-up and submit higher value bids for HEES:ABS funding in coming years to cover more properties.  | OIC<br>Managing Agent | OIC<br>Managing Agent                   | HEES:ABS funding awards increase.  |
| HEES:ABS funding for heat pumps       | Medium-term | Warmworks/Managing agent will explore offering heat pumps as part of the HEES:ABS scheme. Further work is needed to determine feasibility, including finding installers.   | OIC<br>Managing Agent | OIC<br>Managing Agent                   | Heat pumps added to the HEES:ABS measurement, if feasible.                       |

| Action                                    | Priority    | Description   | Responsibility | Key stakeholders                                      | Measure of success   |
|---|-------------|---|----------------|---|--|
| Advanced training for retrofit assessors  | Medium-term | THAW is aiming to train employees in renewables and traditional building assessments.   | THAW Orkney    |   | Renewables and traditional building assessments available. |
| <i>From Council Delivery Plan:</i>        |             |   |                |   |  |
| Carbon Neutral Islands for Orkney         | Medium-term | The Council will work with the Scottish Government and other stakeholders to ensure that the benefits of the Carbon Neutral Islands project are shared across all other Orkney islands (from Council Plan Delivery Plan.) | The Council    | Scottish Government                                   |  |
| <i>From Council Delivery Plan:</i>        |             |   |                |   |  |
| Update Orkney Sustainable Energy Strategy |             | Update Orkney Sustainable Energy Strategy in line with Scottish Government 'Energy Strategy and Just Transition Plan.'  | The Council    | Scottish Government                                   | Publish updated Orkney Sustainable Energy Strategy.        |
| Energy efficiency data project            | Long-term   | If the energy efficiency pilot project is successful, the Council will replicate for more islands.  | The Council    | Islands Centre for Net Zero, local development trusts | Surveying projects for multiple islands.                   |
| Investigate Passivhaus standard           | Long-term   | The Council will investigate Passivhaus standards as an option for new build and refurbishment for Council social housing.  | The Council    |   | Decision made on Passivhaus standard.                      |
| Investigate EnerPHit standard             | Long-term   | The Council will investigate EnerPHit standard and other similar standards for existing stock retrofit schemes.   | The Council    |   | Decision made on standard for existing stock retrofit.     |

## Funding for energy efficiency

The Council will draw on available funding from the Scottish Government and other providers to support energy efficiency upgrades of homes.

### Social housing

**The Social Housing Net Zero Heat Fund** supports social housing landlords across Scotland to install zero direct emission heating systems. Funding for “fabric first” energy efficiency projects is also available; however, applicants are required to demonstrate a commitment to installing eligible ZDEH systems into these properties. There is currently £200 million available over five years up to 2026 and the fund supports capital costs and resource support to help build a pipeline of future projects. The fund can cover up to a maximum of 60% of total capital expenditure costs for zero direct emissions heating elements and 50% of the fabric and energy efficiency measures.

### Mixed tenure

**Heat and Energy Efficient Scotland: Area Based Schemes (HEES:ABS)** are designed and delivered by local authorities, in combination with utility companies and local delivery partners. This funding is provided by Scottish Government. Schemes are targeted in areas in or at risk of fuel poverty and is intended for owner-occupiers and private landlords. HEES:ABS has historically focused on installing single insulation measures but is now expanding to a ‘whole house’ approach and includes other measures such as zero emissions heating systems. By working on an area-based delivery model, the programme enables mixed-tenure projects, bringing together homeowners, housing associations, and private landlords.

### Owner-occupiers

**The HES grant and loan** is available to homeowners and offers grant funding for heat pumps of £7,500, or £9,000 to those living in rural areas. There is also £7,500 available as an optional interest free loan to further help towards the installation of a heat pump. £6,000 of interest free loan funding is available for households for solar PV panels when taken as a package of measures including a heat pump. In addition to this funding, up to 75% of the cost of energy efficiency measures can be covered by grant funding, up to a maximum of £7,500 or £9,000 in rural areas. The final 25% can be covered by an interest free loan, or paid by the customer as the loan is optional. These energy efficiency measures include but are not limited to cavity wall insulation, solid wall insulation, loft insulation, and floor insulation.

**Warmer Homes Scotland (WHS)** offers funding and support to households struggling to stay warm and keep on top of energy bills. This programme is available for homeowners and private sector tenants. WHS takes a ‘whole house’ approach, offering eligible households a bespoke package of measures that takes account of both the needs of the property and the needs of the household. Heating measure

installations are not available in private rented properties. This programme is most often fully grant funded, and potential improvements include wall insulation, loft insulation, draught-proofing, central heating, and renewables. Households must meet the eligibility criteria<sup>2</sup> and live in a property with a low efficiency rating. Interest free loans of up to £10,000 are available for homeowners or landlords who require further assistance to help pay a contribution towards the work.

**The Energy Company Obligation (ECO 4)** is in its fourth round as a grant/subsidy scheme which provides insulation and heating measures for low income, vulnerable owner occupiers. The measures and funding available are based on specific eligibility criteria and can include insulation, heat network connection, renewable measures, heating installation and repair. This funding is managed through Ofgem, with energy companies determining which retrofit projects they choose to fund and what level of funding they provide. It is available to households in an Affordable Warmth Group in receipt of benefits or tax credits. This fund is also available to households in properties with an EPC of D, E, F, or G.

**ECO Flex** is a household referral mechanism made available through the wider ECO 4 scheme. This program allows local authorities to widen the eligibility criteria to include households that would otherwise not be eligible through the ECO 4 standard criteria. Under this scheme, participating local authorities can refer owner occupied and private tenured households considered to be at risk of living in fuel poverty or on low income and vulnerable to the impacts of living in a cold home. Orkney Islands Council have previously incorporated ECO Flex funding to HEES:ABS projects. However, the funding requirements have changed, and this is no longer permitted. The Council will assess what resources are required to facilitate future ECO 4-only projects.

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<sup>2</sup> Eligibility criteria detailed on the [Home Energy Scotland website](#)

# Non-domestic Council buildings

The Council operates and leases many non-domestic buildings across Orkney. It is the Council's responsibility to do what is possible to make these buildings more energy efficient and replace their heating systems to zero direct emissions heating.

The Council will focus on improving the fabric and energy efficiency of buildings and transitioning to net zero heating systems for buildings currently using heating oil or LPG. The retrofit measures will be completed when it is most financially viable and alongside replacement of the building fabric and heating system. For example, roof insulation may be installed when the roof tiles are replaced.

## Actions for non-domestic Council buildings

| Action                                    | Priority  | Description  | Responsibility | Key stakeholders             | Measure of success   |
|---|-----------|--|----------------|------------------------------|--|
| Hope Primary School retrofit              | Immediate | The Council will install an air source heat pump (to replace oil heating), triple glazed windows, and improve air tightness.   | OIC            | OIC<br>Construction Partners | Zero direct emissions heating installed, and energy efficiency improved. |
| Picky Campsite domestic hot water upgrade | Immediate | The Council will retrofit the domestic hot water system to be powered by a heat pump.  | OIC            | OIC<br>Construction Partners | Zero direct emissions water heating installed.                           |
| <i>From Carbon Management Programme:</i>  |           |  |                |                              |  |
| Evaluate Council carbon emissions data    | Immediate | The Council will start an evaluation of baseline data relating to the Council's carbon emissions in order to provide an accurate and consistent approach to the reporting and management of total corporate emissions. | OIC            | OIC<br>Aether                | Baseline analysis of Council buildings complete.                         |

| Action  | Priority    | Description   | Responsibility | Key stakeholders             | Measure of success   |
|---|-------------|---|----------------|------------------------------|--|
| EPC assessments for OIC operational buildings     | Medium-term | The Council will conduct EPCs on the remaining properties that are required to have up to date EPCs (250m <sup>2</sup> or greater floor area & open to the public). | OIC            | OIC                          | All required operational buildings will have up to date EPCs.        |
| Orkney Library and Archive air source heat pump   | Medium-term | The Council will replace the oil heating system with an air source heat pump at Orkney Library and Archive.   | OIC            | OIC<br>Construction Partners | Zero direct emissions heating installed.                             |
| Stromness Swimming Pool air source heat pump      | Medium-term | The Council will replace the oil heating system with an air source heat pump at Stromness Swimming Pool.  | OIC            | OIC<br>Construction Partners | Zero direct emissions heating installed.                             |
| Oil boiler replacement schemes                    | Medium-term | The Council will develop schemes for remaining oil boiler replacement in the Council's buildings.   | OIC            | OIC<br>Construction Partners | Zero direct emissions heating installed.                             |
| Building Energy Reports for Kirkwall properties   | Medium-term | The Council will conduct Building Energy Reports for OIC buildings in central Kirkwall.   | OIC            | OIC                          | Assessment complete for all OIC owned buildings in central Kirkwall. |
| Building Energy Reports for all Council buildings | Medium-term | The Council will conduct Building Energy Reports for all occupied and leased non-domestic OIC buildings to improve data.  | OIC            | OIC                          | 100% of Council-owned buildings have BERs.                           |

| Action  | Priority    | Description  | Responsibility | Key stakeholders              | Measure of success   |
|---|-------------|--|----------------|-------------------------------|--|
| Building Energy Reports for non-Council owned buildings | Medium-term | The Council will conduct Building Energy Reports for all occupied and leased non-domestic and non-Council owned buildings to improve data.                                     | OIC            | OIC                           | 100% of <i>all</i> non-domestic buildings have BERs.         |
| EPC assessments for all leased OIC properties           | Medium-term | The Council will conduct EPC assessments for every leased property, regardless of lease renewal date.  | OIC            | OIC Tenants                   | 100% of leased Council buildings have valid EPC assessments. |
| Action plan for leased OIC properties                   | Medium-term | The Council will develop an action plan to improve leased properties. The Council will prioritise zero direct emissions heating and fabric improvements based on cost benefit. | OIC            | OIC Tenants                   | 100% of leased Council buildings have NZDE Heating System.   |
| <i>From Council Delivery Plan:</i>                      |             |  |                |                               |  |
| Finalise decarbonisation programmes                     | Long-term   | The Council will finalise decarbonisation programmes for the school estate, infrastructure property, and ICT estate buildings.   | OIC            | OIC Construction Partners     | Finalise decarbonisation programmes.                         |
| <i>From Council Delivery Plan:</i>                      |             |  |                |                               |  |
| Carbon Neutral Islands pilot project                    | Long-term   | The Council will replicate Carbon Neutral Islands project on one or more islands.  | OIC            | CNI<br>OIC Development Trusts | Replicate project plan developed                             |

| Action                                   | Priority  | Description   | Responsibility | Key stakeholders             | Measure of success                   |
|--|-----------|---|----------------|------------------------------|--------------------------------------|
| <i>From Carbon Management Programme:</i> |           |   |                |                              |                                      |
| Support commercial building owners       | Long-term | The Council will develop mechanisms to support business uptake of renewable energy, smart energy and energy efficiency solutions. | OIC            | OIC<br>Reflex Orkney<br>ICNZ | Business Support Project operational |

## Electrification of heat in homes

Homes across Orkney will need to move from oil heating systems to electric heating systems by 2045 at the latest. This will require collaboration between the Council and a number of stakeholders.

The Council will work with SSEN (the Distribution Network Operator for Orkney) to develop the future energy scenario for Orkney. The LENZA tool will be used to identify increases in supply required to meet the additional load associated with heat pumps replacing oil heating systems. The installation of EV charging infrastructure will also be considered together with the opportunities for on-site renewable generation, likely solar PV.

The Islands Centre for Net Zero will also be working with the wider community and business sector to identify anticipated future demands.

## Actions for electrification of heat in homes

| Action  | Priority    | Description  | Responsibility                                       | Key stakeholders             | Measure of success                                |
|---|-------------|--|--|------------------------------|---|
| Collaborate with SSEN to plan for electrification of heat           | Immediate   | The Council will collaborate with SSEN to identify and develop a plan for improving the electricity grid to support heat pumps and other electric heating systems. | OIC<br>SSEN  | OIC<br>SSEN                  | Published plan for grid upgrades.                 |
| Collaborate with the Islands Centre for Net Zero                    | Immediate   | The Council will collaborate with the Islands Centre for Net Zero to identify future energy demands and share data on electrification of heat.                     | The Council,<br>Islands Centre for Net Zero          | OIC<br>ICNZ                  | Data sharing initiated                            |
| Air tightness testing for void OIC properties                       | Immediate   | The Council will begin conducting air tightness tests for Council-owned buildings when they become void.   | The Council  | OIC<br>Tenants               | All void buildings will have air tightness tests. |
| Explore options for retraining oil heating engineers for heat pumps | Medium-term | The Council and UHI to explore opportunities for retraining oil heating engineers and others to install and maintain heat pumps.                                   | The Council &<br>University of Highlands and Islands | OIC<br>Construction Partners | Training programmes developed and delivered       |

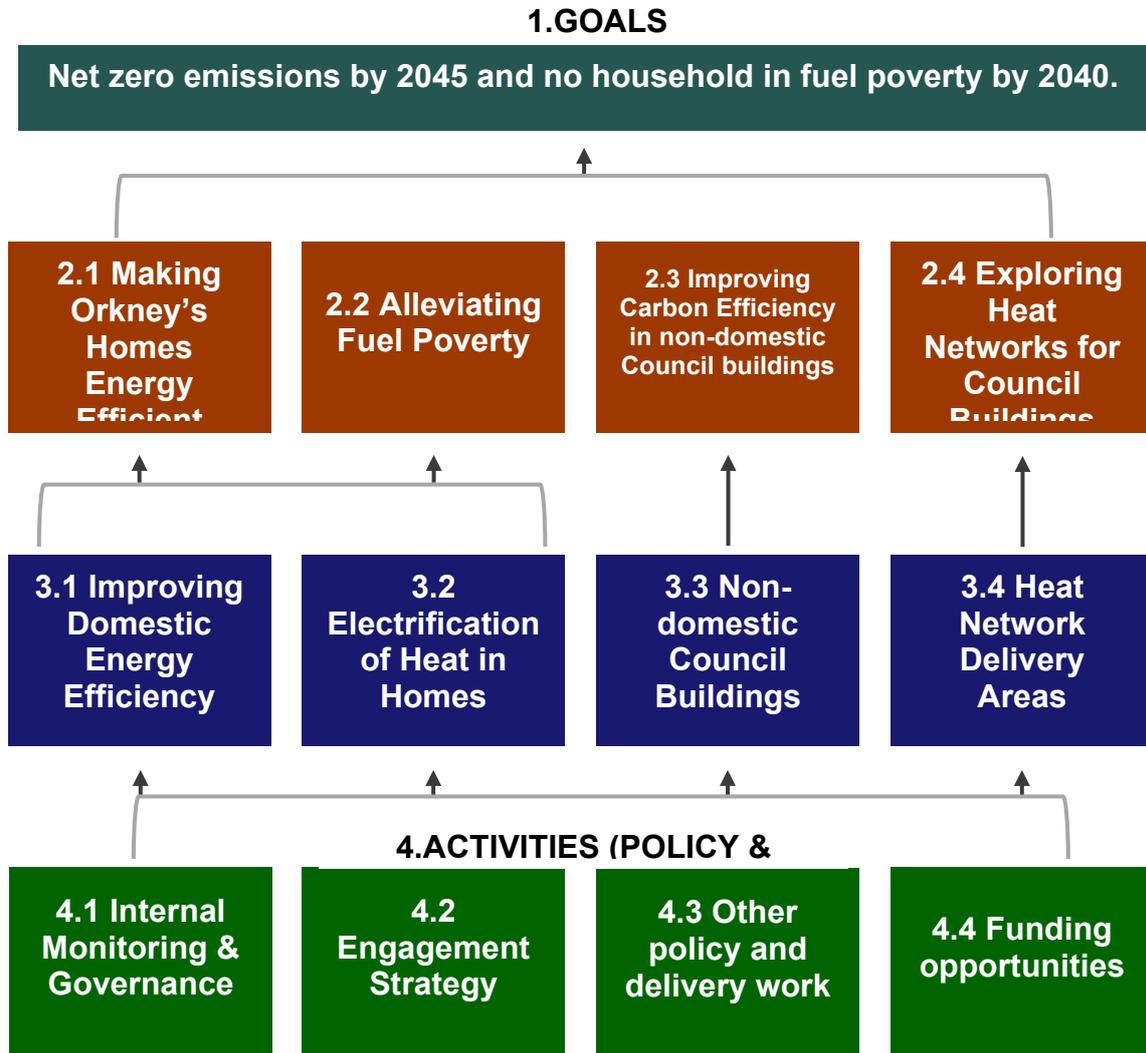
## Monitoring and evaluation framework

The monitoring and evaluation frameworks should be used by the council to measure progress against LHEES considerations, local priorities and targets identified in the LHEES Stage 1 and reported against in Stage 3, and to report on the effectiveness of their LHEES delivery.

They should also set out, as far as reasonably possible, a portfolio of projects that are to be taken forward, and track progress of ongoing projects related to LHEES. The frameworks below provide a useful starting point, however, and are to be completed and updated by Orkney Islands Council as per the council's governance arrangements. The council is responsible for identifying quantifiable, time-measured targets in line with statutory requirements and local priorities. The monitoring and evaluation frameworks can be found in the Appendix of this document.

A monitoring map has been developed to show the enabling factors that will need to be in place in order to fulfil the overarching objectives of Orkney Islands Council's LHEES Strategy and Delivery Plan.

Figure 1: A Monitoring Map to show Orkney Islands Council's pathway for decarbonising heat in buildings and improving energy efficiency



## **Conclusion and next steps**

This Delivery Plan is designed to sit alongside the LHEES Strategy. It provides a more detailed view of the actions required over the next five years to decarbonise Orkney Islands Council's domestic and non-domestic building stock. This Delivery Plan details the immediate and medium-term actions that can be delivered now, given the existing policy landscape.

It is a statutory duty for the Council to update the LHEES every five years. Due to the urgency of the climate emergency, and the rapidly evolving policy landscape, the Delivery Plan will be monitored, updated and reported on annually, while the Strategy will be reviewed every five years. This means they should be treated as live documents which will respond to the introduction of new standards, regulation, and delivery programmes.

# Appendix: Monitoring and Evaluation Frameworks broken down by Goals, Outcomes, Method and Activities

**Key**

| Status                            | Colour |
|-----------------------------------|--------|
| Not yet started                   | F      |
| In progress                       | P      |
| Slightly Delayed (<3 months)      | D      |
| Significantly Delayed (>3 months) | X      |
| Complete                          | C      |

Table 1: Goals: an evaluation framework to monitor progress towards national decarbonisation targets.

| Item | Target                               | Relevant indicators                 | Data type and source                        | Baseline (data) | Progress 2025-26 | Timescale   | Status   |
|------|--------------------------------------|-------------------------------------|---|-----------------|------------------|-------------|----------|
| 1.1  | Net zero emissions by 2045           | Greenhouse gas emissions statistics | Scottish National Net Zero Emission Figures |                 |                  | <b>2045</b> | <b>P</b> |
| 1.2  | 75% Net zero emissions by 2030       | Greenhouse gas emissions statistics | Scottish National Net Zero Emission Figures |                 |                  | <b>2030</b> | <b>P</b> |
| 1.2  | No household in fuel poverty by 2040 | Fuel poverty statistics             | Scottish National Fuel Poverty Figures      |                 |                  | <b>2040</b> | <b>P</b> |

Table 2: Outcomes: an evaluation framework to monitor progress of Orkney Islands Council's LHEES Priorities.

| Priority                                    | Target   | Relevant indicators                                     | Data type and source | Baseline (data) | Progress 2025-26 | Timescale | Status |
|---|--|---|----------------------|-----------------|------------------|-----------|--------|
| A<br>Making Orkney's homes energy efficient | Improving energy efficiency of homes to reduce heat demand.                            | EPC energy efficiency rating C or above                 | EST Home Analytics   |                 |                  |           | P      |
|   |  | EPC energy efficiency rating D or below                 | EST Home Analytics   |                 |                  |           | P      |
| B<br>Alleviating Fuel Poverty               | Improve energy efficiency of homes through fabric improvements to tackle fuel poverty. | Number of households in fuel poverty                    | Scottish             |                 |                  | 2040      | P      |
|   |  | Average household energy cost as a percentage of income |                      |                 |                  | 2040      | P      |

| Priority   | Target   | Relevant indicators                                    | Data type and source | Baseline (data) | Progress 2025-26 | Timescale       | Status |
|--|--|--|----------------------|-----------------|------------------|-----------------|--------|
| C<br>Improving Carbon Efficiency in non-domestic Council buildings | Improve non domestic buildings through fabric improvements and heating system upgrades           | Number of buildings with zero direct emissions heating | OIC Estates Data     |                 |                  | 2045            | P      |
|  |  | % of building stock powered by renewable sources       |                      |                 |                  |                 | P      |
| D<br>Exploring Heat Networks for Council Buildings                 | The Council is focused on exploring heat networks to connect Council buildings and heat sources. | Number of heat networks established                    | OIC Estates Data     | 0               |                  | By October 2029 | P      |
|  |  | Carbon emissions from the built environment on Network | OIC Estates Data     |                 |                  |                 | P      |

Table 3: Method: an evaluation framework to monitor progress within Orkney Islands Council's delivery areas.

| Strategic actions                    | Actions   | Target   | Lead | Resource requirements | Partners                            | Timescale | Status   |
|--------------------------------------|---|--|------|-----------------------|-------------------------------------|-----------|----------|
| Improving Domestic Energy Efficiency | Collaboration between OHAL and OIC                        | Explore ways of collaborating on energy efficiency in social housing, including combined funding applications..    | OIC  | NS&I<br>EL&H          | OHAL                                | By 2026   | <b>P</b> |
|                                      | Develop data sharing agreement for energy efficiency data | Develop a data sharing agreement so the Council can share the data analysis from LHEES with relevant stakeholders. | OIC  | NS&I<br>EL&H          | ICNZ<br>EST<br>External Consultants | By 2026   | <b>P</b> |

| Strategic actions                                      | Actions   | Target  | Lead | Resource requirements | Partners  | Timescale | Status   |
|--|---|---|------|-----------------------|-----------|-----------|----------|
| Improving Domestic Energy Efficiency<br><br>Continued. | Share energy efficiency data with Warmworks                   | Share energy efficiency data with Warmworks to support planning for the HEES:ABS scheme.  | OIC  | NS&I<br>EL&H          | Warmworks | By 2026   | <b>P</b> |
|  | Share energy efficiency data with Islands Centre for Net Zero | Share energy efficiency data with the Islands Centre for Net Zero to support their energy data hub for Orkney, the Western Isles, and Shetland. | OIC  | NS&I<br>EL&H          | ICNZ      | By 2026   | <b>P</b> |

| Strategic actions                                      | Actions  | Target   | Lead | Resource requirements | Partners                             | Timescale | Status   |
|--|--|--|------|-----------------------|--------------------------------------|-----------|----------|
| Improving Domestic Energy Efficiency<br><br>Continued. | Address fuel poverty in social housing through retrofit measures | Planned maintenance activities for OIC properties will address energy efficiency. They will focus on fabric insulation, air tightness, and efficiency of heating systems until the new Social Housing Net Zero Standard is announced.. | OIC  | NS&I<br>EL&H          | OHAL<br>OIC<br>Construction Partners | By 2026   | <b>P</b> |

| Strategic actions                                      | Actions                         | Target   | Lead | Resource requirements     | Partners                  | Timescale | Status   |
|--|---------------------------------|--|------|---------------------------|---------------------------|-----------|----------|
| Improving Domestic Energy Efficiency<br><br>Continued. | Training for retrofit assessors | THAW is training retrofit assessors to offer more services to fuel poor households. More detailed assessments for homes in fuel poverty can help homes get more funding for retrofit projects. | THAW | THAW<br>Training Partners | THAW<br>Training Partners | By 2026   | <b>P</b> |
|  | Third sector retrofit projects  | THAW are starting retrofit projects for homes in fuel poverty. THAW focusses on projects that help households become eligible for other funding, such as HEES:ABS.                             | THAW | THAW<br>Training Partners | THAW<br>Training Partners | By 2026   | <b>P</b> |

| Strategic actions                                      | Actions                             | Target   | Lead                 | Resource requirements               | Partners  | Timescale | Status |
|--|-------------------------------------|--|----------------------|-------------------------------------|---|-----------|--------|
| Improving Domestic Energy Efficiency<br><br>Continued. | Collaboration for fuel poverty      | A number of organisations are part of the Orkney Money Matters initiative to coordinate fuel poverty working in Orkney | Orkney Money Matters |                                     | OIC<br>The Orkney Partnership,<br>Orkney Foodbank,<br>NHS Orkney,<br>Social Security Scotland,<br>OHAL,<br>The Trussell Trust | By 2026   | P      |
|  | Walliwall housing development       | OHAL will continue working on Walliwall Stage 9 housing project  | OHAL                 | OHAL<br>External Consultants        | OHAL<br>Construction Partners   | By 2026   | P      |
|  | Improve OHAL energy efficiency data | OHAL to digitise data on their housing stock, housing condition surveys.   | OHAL                 | OHAL<br>OIC<br>External Consultants | OHAL<br>Construction Partners   | By 2026   | P      |

| Strategic actions                                      | Actions  | Target   | Lead | Resource requirements | Partners                             | Timescale | Status   |
|--|--|--|------|-----------------------|--------------------------------------|-----------|----------|
| Improving Domestic Energy Efficiency<br><br>Continued. | Energy efficiency pilot projects on Council social housing | <p><i>From Local Housing Strategy:</i></p> <p>The Council has been trialling approaches to meet the higher energy efficiency standard, undertaking an individual assessment when a property becomes void and taking a Fabric First approach, coupled with fitting mechanical heat recovery ventilation systems to help maintain air quality</p> <p>Identify lost rental impact of Void works</p> | OIC  | NS&I<br>EL&H          | OIC<br>OHAL<br>Construction Partners | By 2026   | <b>P</b> |

| Strategic actions                                      | Actions   | Target  | Lead | Resource requirements | Partners                             | Timescale | Status |
|--|---|---|------|-----------------------|--------------------------------------|-----------|--------|
| Improving Domestic Energy Efficiency<br><br>Continued. | Finalise decarbonisation of domestic Council social housing | <i>From Council Delivery Plan:</i><br><br>The Council will finalise programme of decarbonisation for Council-owned housing stock  | OIC  | NS&I<br>EL&H          | OIC<br>OHAL<br>Construction Partners | By 2026   | P      |
|  | Collect data on private rented sector interest in HEES:ABS  | The Council to collect data from Warmworks on number of private rented sector landlords who enquired about HEES:ABS funding but were not eligible. This could identify potential projects in the private rented sector. | OIC  | NS&I<br>EL&H          | OIC<br>Managing Agent                | By 2026   | P      |

| Strategic actions                                      | Actions                                      | Target  | Lead | Resource requirements | Partners    | Timescale | Status   |
|--|--|---|------|-----------------------|-------------|-----------|----------|
| Improving Domestic Energy Efficiency<br><br>Continued. | Collaboration on energy efficiency standards | The Council to liaise with OHAL to agree energy efficiency standards across Orkney's social housing   | OIC  | NS&I<br>EL&H<br>OHAL  | OIC<br>OHAL | By 2026   | <b>P</b> |
|  | OHAL to submit SHNZHF bids                   | OHAL will continue submitting bids to the Social Housing Net Zero Heat Fund for retrofit projects. They will focus on fabric measures, heat pumps, and high retention storage heaters | OHAL | OHAL                  |             | By 2029   | <b>F</b> |
|  | Develop plan for social housing              | OIC and OHAL will develop delivery plans in line with new Social Housing Net Zero Standard  | OIC  | NS&I<br>EL&H<br>OHAL  | OIC<br>OHAL | By 2029   | <b>F</b> |

| Strategic actions                                      | Actions                              | Target   | Lead | Resource requirements | Partners                                     | Timescale | Status   |
|--|--------------------------------------|--|------|-----------------------|--|-----------|----------|
| Improving Domestic Energy Efficiency<br><br>Continued. | Energy efficiency data pilot project | Owner occupied and private rented homes have lower levels of EPC data. The Council is interested in undertaking a surveying project on one of the Northern Isles to provide more information on how energy efficiency can be improved across an entire island. | OIC  | NS&I<br>EL&H          | OIC<br>OHAL<br>North Isles Development Trust | By 2029   | <b>F</b> |
|  | Increase HEES:ABS bid values         | OIC will scale-up and submit higher value bids for HEES:ABS funding in coming years to cover more properties.  | OIC  | EL&H                  | OIC<br>Managing Agent                        | By 2026   | <b>P</b> |

| Strategic actions                                     | Actions                         | Target   | Lead          | Resource requirements | Partners              | Timescale | Status |
|---|---------------------------------|--|---------------|-----------------------|-----------------------|-----------|--------|
| Improving Domestic Energy Efficiency<br><br>Continued | Whole house energy assessments  | Reflex Orkney will introduce whole house energy assessments that provide a recommended list of measures for each building. People can use these recommendations to take advantage of funding when it becomes available | ReFlex Orkeny | ReFlex Orkney<br>ICNZ |                       | By 2026   | P      |
|   | HEES:ABS funding for heat pumps | Managing agent will explore offering heat pumps as part of the HEES:ABS scheme. Further work is needed to determine feasibility, including finding installers.   | OIC           | EL&H                  | OIC<br>Managing Agent | By 2026   | P      |

| Strategic actions                                     | Actions                                  | Target  | Lead | Resource requirements | Partners                   | Timescale | Status |
|---|--|---|------|-----------------------|----------------------------|-----------|--------|
| Improving Domestic Energy Efficiency<br><br>Continued | Advanced training for retrofit assessors | THAW is aiming to train employees in renewables and traditional building assessments.   | THAW |                       | THAW<br>Training Partners  | By 2029   | F      |
|   | Carbon Neutral Islands for Orkney        | <i>From Council Delivery Plan:</i><br><br>The Council will work with the Scottish Government and other stakeholders to ensure that the benefits of the Carbon Neutral Islands project are shared across all other Orkney islands (from Council Plan Delivery Plan.) | OIC  | EL&H<br>NS&I          | OIC<br>Scottish Government | By 2029   | F      |

| Strategic actions                                     | Actions                                   | Target   | Lead | Resource requirements | Partners                                | Timescale | Status   |
|---|---|--|------|-----------------------|---|-----------|----------|
| Improving Domestic Energy Efficiency<br><br>Continued | Update Orkney Sustainable Energy Strategy | <i>From Council Delivery Plan:</i><br><br>Update Orkney Sustainable Energy Strategy in line with Scottish Government 'Energy Strategy and Just Transition Plan.' | OIC  | NS&I                  | OIC<br>Scottish Government<br>OREF      | By 2029   | <b>F</b> |
|   | Energy efficiency data project            | If the energy efficiency pilot project is successful, the Council will replicate for more islands.   | OIC  | NS&I                  | OIC<br>ICNZ<br>Local Development Trusts | By 2029   | <b>F</b> |

| Strategic actions                                     | Actions                         | Target   | Lead | Resource requirements | Partners | Timescale | Status |
|---|---------------------------------|--|------|-----------------------|----------|-----------|--------|
| Improving Domestic Energy Efficiency<br><br>Continued | Investigate Passivhaus standard | The Council will investigate Passivhaus standards as an option for new build and refurbishment for Council social housing. | OIC  | NS&I<br>EL&H          | OIC      | By 2029   | F      |
|   | Investigate EnerPHit standard   | The Council will investigate EnerPHit standard and other similar standards for existing stock retrofit schemes.            | OIC  | NS&I<br>EL&H          | OIC      | By 2029   | F      |

| Strategic actions | Actions                    | Target  | Lead | Resource requirements | Partners                  | Timescale | Status   |
|-------------------|----------------------------|---|------|-----------------------|---------------------------|-----------|----------|
|                   | Conservation Areas         | work with OIC Planning to address energy efficient refurbishment for properties in conservation areas     | OIC  | NS&I<br>EL&H          | OIC                       | By 2026   | <b>P</b> |
|                   | Energy Efficiency Standard | Develop a formal policy for the energy efficiency standards for all new build and refurbishment projects. | OIC  | NS&I<br>EL&H          | OIC<br>SIC<br>CNS<br>ICNZ | By 2029   | <b>F</b> |
|                   | Community Projects         | Request update from CES regarding projects in and around Orkney and the other island groups.              | OIC  | NS&I<br>EL&H          | OIC<br>CES<br>ICNZ        | By 2026   | <b>P</b> |

| Strategic actions | Actions                              | Target   | Lead | Resource requirements | Partners                                     | Timescale | Status   |
|-------------------|--------------------------------------|--|------|-----------------------|--|-----------|----------|
|                   | Improved Data Sets                   | investigate the use of additional data sets to help identify vulnerable populations                                | OIC  | NS&I<br>EL&H          | OIC<br>CES<br>ICNZ<br>Scottish<br>Government | By 2026   | <b>P</b> |
|                   | New Build High Density Accommodation | investigate planning policy with regards to density  | OIC  | NS&I<br>EL&H          | OIC  | By 2026   | <b>P</b> |
|                   | Publicising Information              | investigate the opportunity to contact private rented landlords / tenants to inform them of funding opportunities. | OIC  | NS&I<br>EL&H          | OIC  | By 2026   | <b>P</b> |

| Strategic actions | Actions                        | Target  | Lead | Resource requirements | Partners                | Timescale | Status |
|-------------------|--------------------------------|---|------|-----------------------|-------------------------|-----------|--------|
|                   | LA Funding                     | Investigate opportunities for Local Authority funding for private sector to improve Energy efficiency of properties<br><br>promote tax opportunities available to private landlords | OIC  | NS&I<br>EL&H          | OIC<br>Business Gateway | By 2026   | P      |
|                   | Maximise EPC Data availability | investigate opportunity to use local energy efficiency assessors to provide no/low cost EPC service to assist in development of Energy Efficiency improvement projects              | OIC  | NS&I<br>EL&H          | OIC                     | By 2029   | F      |

| Strategic actions | Actions                                 | Target   | Lead | Resource requirements | Partners            | Timescale | Status   |
|-------------------|---|--|------|-----------------------|---------------------|-----------|----------|
|                   | Promotion of Energy Efficiency Projects | investigate opportunity to highlight local energy efficiency projects where improvements have been made to a property. Possibly in conjunction with CINZ or ReFLEX Orkney. | CES  |                       | CES<br>ICNZ<br>OREF | By 2026   | <b>P</b> |
|                   | EPC Availability                        | investigate opportunity for Online portal to arrange EPC and understand recommendations. Possibly in conjunction with ICNZ or ReFLEX Orkney.                               | OIC  | NS&I<br>EL&H          | OIC                 | By 2029   | <b>F</b> |
|                   | Building Simulation                     | Investigate the opportunity for providing building   | OIC  | NS&I<br>EL&H          | OIC                 | By 2029   | <b>F</b> |

| Strategic actions | Actions                | Target  | Lead | Resource requirements | Partners | Timescale | Status   |
|-------------------|------------------------|---|------|-----------------------|----------|-----------|----------|
|                   |                        | simulation modelling for major projects. OIC could take a lead on this and share results to encourage others to consider use of this. |      |                       |          |           |          |
|                   | Building Certification | Investigate the opportunity of providing BREEAM / LEED surveys as part of an energy advice service.                                   | OIC  | NS&I<br>EL&H          | OIC      | By 2029   | <b>F</b> |

| Strategic actions | Actions              | Target  | Lead | Resource requirements | Partners   | Timescale | Status   |
|-------------------|----------------------|---|------|-----------------------|--|-----------|----------|
|                   | Energy Advice Centre | investigate the opportunity to provide an energy advice service within Orkney open to both domestic and commercial clients and able to provide technical support              | OIC  | NS&I<br>EL&H          | OIC<br>Business Gateway<br>ReFlex Orkney<br>OREF | By 2029   | <b>F</b> |
|                   | Carbon Monitoring    | investigate the option of providing a carbon monitoring service for non domestic properties, companies could sign up and provide billing data to receive an annual CO2 report | OIC  | NS&I<br>EL&H          | OIC<br>Business Gateway<br>ReFlex Orkney<br>OREF | By 2029   | <b>F</b> |
|                   |                      |   |      |                       |  |           |          |

| Strategic actions                | Actions   | Target   | Lead | Resource requirements | Partners            | Timescale | Status   |
|----------------------------------|---|--|------|-----------------------|---------------------|-----------|----------|
| Electrification of heat in homes | Collaborate with SSEN to plan for electrification of heat | Collaboration between the Council and SSEN to identify a plan for improving the electricity grid to support heat pumps and other electric heating systems. | SSEN | NS&I                  | OIC<br>SSEN         | By 2026   | <b>P</b> |
|                                  | Collaborate with the Islands Centre for Net Zero          | Identify future energy demands from the commercial sector and work to develop an Orkney wide assessment of future electrical needs.                        | SSEN | NS&I                  | OIC<br>ICNZ<br>SSEN | By 2029   | <b>F</b> |

| Strategic actions              | Actions   | Target   | Lead | Resource requirements | Partners                     | Timescale | Status   |
|--------------------------------|---|--|------|-----------------------|------------------------------|-----------|----------|
| Non-domestic Council buildings | Hope Primary School retrofit                    | Air source heat pump (to replace oil heating), triple glazed windows, air tightness improvements.        | OIC  | NS&I<br>EL&H          | OIC<br>Construction Partners | By 2026   | <b>P</b> |
|                                | Picky Campsite domestic hot water upgrade       | Retrofit the domestic hot water system to be powered by a heat pump or heat network.                     | OIC  | NS&I<br>EL&H          | OIC<br>Construction Partners | By 2026   | <b>P</b> |
|                                | Air tightness testing for void OIC properties   | The Council will begin conducting air tightness tests for Council-owned buildings when they become void. | OIC  | NS&I<br>EL&H          | OIC<br>Construction Partners | By 2026   | <b>P</b> |
|                                | Orkney Library and Archive air source heat pump | Replace the oil heating system with ASHP   | OIC  | NS&I<br>EL&H          | OIC<br>Construction Partners | By 2026   | <b>P</b> |

| Strategic actions                            | Actions   | Target  | Lead | Resource requirements | Partners                     | Timescale | Status   |
|--|---|---|------|-----------------------|------------------------------|-----------|----------|
| Non-domestic Council buildings<br>Continued. | Stromness Swimming Pool air source heat pump      | Replace the oil heating system with an ASHP System.   | OIC  | NS&I<br>EL&H          | OIC<br>Construction Partners | By 2026   | <b>P</b> |
|  | Oil boiler replacement schemes                    | Development of schemes for remaining oil boiler replacement in the Council's building portfolio         | OIC  | NS&I<br>EL&H          | OIC<br>Construction Partners | By 2029   | <b>F</b> |
|  | Building Energy Reports for Kirkwall properties   | Conduct Building Energy Reports for OIC buildings in central Kirkwall.                                  | OIC  | NS&I<br>EL&H          | OIC                          | By 2026   | <b>P</b> |
|  | Building Energy Reports for all Council buildings | Conduct Building Energy Reports for all occupied and leased non-domestic OIC buildings to improve data. | OIC  | NS&I<br>EL&H          | OIC                          | By 2029   | <b>F</b> |

| Strategic actions                                | Actions                                       | Target   | Lead | Resource requirements | Partners | Timescale | Status   |
|--|---|--|------|-----------------------|----------|-----------|----------|
| Non-domestic Council buildings<br><br>Continued. | Evaluate Council carbon emissions data        | <i>From Carbon Management Programme</i><br><br>Start an evaluation of baseline data relating to the Council's carbon emissions in order to provide an accurate and consistent approach to the reporting and management of total corporate emissions. | OIC  | NS&I<br>EL&H          | OIC      | By 2026   | <b>P</b> |
|  | EPC assessments for all leased OIC properties | The Council will conduct EPC assessments for every leased property, regardless of lease renewal date.  | OIC  | NS&I<br>EL&H          | OIC      | By 2029   | <b>F</b> |

| Strategic actions | Actions                               | Target   | Lead | Resource requirements | Partners | Timescale | Status   |
|-------------------|---------------------------------------|--|------|-----------------------|----------|-----------|----------|
|                   | Action plan for leased OIC properties | The Council will develop an action plan to improve leased properties. The Council will prioritise zero direct emissions heating and fabric improvements based on cost benefit. | OIC  | NS&I<br>EL&H          | OIC      | By 2029   | <b>F</b> |
|                   | Finalise decarbonisation programmes   | <i>From Council Delivery Plan:</i><br>finalise decarbonisation programmes for the school estate, infrastructure property, and ICT estate buildings                             | OIC  | NS&I<br>EL&H          | OIC      | By 2034   | <b>F</b> |

| Strategic actions | Actions                              | Target   | Lead | Resource requirements | Partners                             | Timescale | Status   |
|-------------------|--------------------------------------|--|------|-----------------------|--------------------------------------|-----------|----------|
|                   | Carbon Neutral Islands pilot project | <i>From Council Delivery Plan:</i><br>replicate Carbon Neutral Islands project on one or more islands.   | OIC  | NS&I<br>EL&H          | ICNZ<br>CNI<br>Development<br>Trusts | By 2029   | <b>F</b> |
|                   | Support commercial building owners   | <i>From Carbon Management Programme:</i><br>develop mechanisms to support business uptake of renewable energy, smart energy and energy efficiency solutions. | OIC  | NS&I<br>EL&H          | OIC<br>ICNZ<br>ReFlex<br>Orkney      | By 2029   | <b>F</b> |

| Strategic actions |                                 | Actions  | Target | Lead | Resource requirements | Partners | Timescale | Status   |
|-------------------|---------------------------------|--|--------|------|-----------------------|----------|-----------|----------|
|                   | Development of Brownfield Sites | investigate synergies between Development Plan and LHEES with respect to development of brown field sites. | OIC    | NS&  | OI                    |          | By 2026   | <b>P</b> |

| Strategic actions           | Actions                                      | Target  | Lead | Resource requirements   | Partners                          | Timescale | Status |
|-----------------------------|--|---|------|---|-----------------------------------|-----------|--------|
| Heat Network Delivery Areas | Consider Central Kirkwall heat network zone  | The Council will have internal discussions about the Central Kirkwall potential heat network zone.                                    | OIC  | NS&I<br>External Consultants<br>SG Heat Networks Team         | OIC<br>Fire & Police<br>Hoteliers | By 2026   | P      |
|                             | Engineering assessment                       | The Council will undertake an engineering assessment for a heat network to service OIC schools and the Council Office in Kirkwall     | OIC  | NS&I<br>External Consultants                                  | OIC                               | By 2026   | P      |
|                             | Feasibility studies for housing developments | Commission a feasibility study on using ambient heat networks to supply heat pumps as an alternative to individual bore hole schemes. | OIC  | NS&I<br>EL&H<br>External Consultants<br>SG Heat Networks Team | OIC<br>Construction Partners      | By 2029   | P      |

| Strategic actions                             | Actions   | Target  | Lead | Resource requirements                | Partners    | Timescale | Status |
|---|---|---|------|--------------------------------------|-------------|-----------|--------|
| Heat Network Delivery Areas<br><br>Continued. | Feasibility study in Hoy for wind to heat network | Carry out feasibility study on wind to heat network scheme covering North Walls School and surrounding properties in Hoy. | OIC  | NS&I<br>External Consultants         | OIC<br>HWDT | By 2026   | P      |
|   | Finstown waste heat opportunity                   | Investigate Finstown Transmission sub-station as a waste heat opportunity for a heat network.                             | OIC  | NS&I<br>External Consultants<br>SSEN | OIC<br>SSEN | By 2026   | P      |

| Strategic actions                             | Actions  | Target  | Lead | Resource requirements                                 | Partners                          | Timescale | Status   |
|---|--|---|------|---|-----------------------------------|-----------|----------|
| Heat Network Delivery Areas<br><br>Continued. | Communal heating for Council social housing clusters | Investigate viability of small-scale communal heating for clusters of Council social housing. For example, communal heat pump system for a small group of neighbouring Council homes. | OIC  | NS&I<br>EL&H<br>External Consultants                  | OIC<br>Construction Partners      | By 2029   | <b>F</b> |
|   | Central Kirkwall heat network                        | Development of Kirkwall Town Centre heat network, subject to positive feasibility study and business case.  | OIC  | NS&I<br>External Consultants<br>SG Heat Networks Team | OIC<br>Fire & Police<br>Hoteliers | By 2034   | <b>F</b> |

| Strategic actions                             | Actions                                    | Target  | Lead | Resource requirements                | Partners                     | Timescale | Status |
|---|--|---|------|--------------------------------------|------------------------------|-----------|--------|
| Heat Network Delivery Areas<br><br>Continued. | Feasibility study in Stromness             | Commission a feasibility study to explore the Stromness heat network (further heat network 2 above.)  | OIC  | NS&I<br>EL&H<br>External Consultants | OIC<br>Construction Partners | By 2029   | F      |
|   | Feasibility study Dounby                   | Commission a feasibility study to explore the Dounby heat network (further heat network 3 above.)     | OIC  | NS&I<br>EL&H<br>External Consultants | OIC<br>Construction Partners | By 2034   | F      |
|   | Explore heat network options for Pierowall | Investigate a sea water source heat network at care home and Westray Junior High School in Pierowall. | OIC  | NS&I<br>EL&H<br>External Consultants | OIC<br>Construction Partners | By 2034   | F      |

| Strategic actions                        | Actions  | Target   | Lead | Resource requirements                | Partners                     | Timescale | Status |
|--|--|--|------|--------------------------------------|------------------------------|-----------|--------|
| Heat Network Delivery Areas<br>Continued | Explore heat network opportunities for domestic properties | Investigate heat network options that would connect to domestic properties in Orkney.        | OIC  | NS&I<br>EL&H<br>External Consultants | OIC<br>Construction Partners | By 2034   | F      |
|  | Heat Pump to Heat Networks                                 | investigate existing heat pump properties where conversion to heat network is a possibility. | OIC  | NS&I                                 | OIC<br>Construction Partners | By 2034   | F      |
|  | Public Engagement  | develop public engagement process where a heat network is considered for an area.            | OIC  | NS&I                                 | OIC                          | By 2034   | F      |

| Strategic actions | Actions     | Target  | Lead | Resource requirements | Partners                    | Timescale | Status |
|-------------------|-------------|---|------|-----------------------|-----------------------------|-----------|--------|
|                   | ORIC Campus | investigate cost and benefit of heat network on ORIC campus, as part of a wider Stromness heat network. | OIC  | NS&I                  | OIC<br>External Consultants | By 2034   | F      |

Table 4a: Activities: an evaluation framework to monitor progress with governance, stakeholder engagement and other policy work to support LHEES delivery.

| Strategic actions                                     | Actions                                    | Target   | Lead  | Resources required | Partners     | Timescale | Status   |
|---|--|--|---|--------------------|--------------|-----------|----------|
| Develop clear governance framework for LHEES delivery | Identify LHEES leads and champions         | Leads and champions ensure that actions identified in Delivery Plan are realised as per their timescale and measures of success.                                     | Orkney Islands Council, Executive Director/ Head of Service Level | NS&I<br>EL&H       | OHAL<br>ICNZ | By 2026   | <b>P</b> |
|   | Monitoring and evaluation framework review | Monitoring and evaluation framework should be updated to include specific measurable targets, clear timescales and a full portfolio of ongoing and planned projects. | Orkney Islands Council, Executive Director/ Head of Service Level | NS&I<br>EL&H       | OHAL<br>ICNZ | By 2026   | <b>P</b> |

| Strategic actions   | Actions   | Target  | Lead  | Resources required | Partners         | Timescale | Status   |
|---|---|---|---|--------------------|------------------|-----------|----------|
| Develop clear governance framework for LHEES delivery<br><br>Continued. | Annual review of delivery plan                  | Update and amend document in light of regulatory changes. Identify local targets.       | OIC<br><br>Executive Director/<br>Head of Service Level | NS&I<br><br>EL&H   | OHAL<br><br>ICNZ | By 2029   | <b>P</b> |
|   | Full review of LHEES Strategy and Delivery Plan | Update and amend both documents in light of regulatory changes. Identify local targets. | OIC<br><br>Executive Director/<br>Head of Service Level | NS&I<br><br>EL&H   | OHAL<br><br>ICNZ | By 2029   | <b>F</b> |

| Strategic actions   | Actions                          | Target   | Lead                   | Resources required | Partners  | Timescale | Status   |
|---|----------------------------------|--|------------------------|--------------------|---|-----------|----------|
| Engage with relevant stakeholders to support with LHEES delivery. | Stakeholder mapping exercise     | Review stakeholder mapping annually to ensure relevance and accuracy.  | OIC                    | NS&I<br>EL&H       | OHAL,<br>SSEN,<br>ICNZ<br>Scottish Government,<br>OREF<br>Local community groups, | By 2026   | <b>P</b> |
|   | Community consultation workshops | Undertake community consultation at major reviews to ensure policy addresses all concerns and opportunities identified by the wider community. | Orkney Islands Council | NS&I<br>EL&H       | Community Councils<br>OHAL  | By 2026   | <b>P</b> |

Table 4b: Activities: an evaluation framework to monitor progress with funding opportunities to support LHEES delivery.

|                           | Funding source                                | Description  | Action   | Deadlines/ key dates   | Lead | Partners | Progress |
|---------------------------|---|--|--|--|------|----------|----------|
| 4.4 Funding opportunities | <a href="#">Scotland's Heat Network Fund</a>  | Designed to support the development and roll out of heat networks across Scotland. It is open to any organisation seeking to develop and deploy heat networks in Scotland. In total £300 million is being made available to stimulate investment and grow the low carbon heat sector. Up to a maximum of 50% of the total eligible capital costs can be covered through this fund. | OIC to research eligibility, submit expression of interest   | Application deadline ongoing.<br><br>Successful projects must draw down funding in full by March 2026. | NS&I |          | P        |
|                           | <a href="#">The Heat Network Support Unit</a> | Unit identifies, supports, and develops heat network projects for the public sector. The support available includes expert advice and grant funding to develop projects until they have a clear financial strategy and well-defined business model.  | The unit is still accepting applications for advisory-only support and discussions on potential future applications. | No longer accepting applications for the 2024-25 financial year.                                       | NS&I |          | P        |

| Funding source  | Description   | Action   | Deadlines/ key dates          | Lead         | Partners                     | Progress |
|---|---|--|-------------------------------|--------------|------------------------------|----------|
|   |   | OIC to research eligibility to determine if they will apply for the 2025-26 financial year funding, or for advisory support for existing projects. |                               |              |                              |          |
| <a href="#">The Social Housing Net Zero Heat Fund</a>             | Supports social housing landlords across Scotland to install zero direct emission heating systems. Funding for “fabric first” energy efficiency projects is also available; however, applicants are required to demonstrate a commitment to installing eligible ZDEH systems into these properties. | OIC to research eligibility and apply for funding if appropriate.  | Funding available until 2026. | NS&I<br>EL&H | External Consultants         | P        |
| Heat and Energy Efficient Scotland: Area Based Schemes (HEES:ABS) | This funding is provided by Scottish Government. Schemes are targeted in areas in or at risk of fuel poverty and is intended for owner-occupiers and private landlords.   | OIC to continue allocating funding for HEES:ABS projects.  | Ongoing                       | EL&H         | OHAL<br>External Consultants | P        |

| Funding source                         | Description  | Action   | Deadlines/<br>key dates | Lead                         | Partners  | Progress        |
|--|--|--|-------------------------|------------------------------|---|-----------------|
| <a href="#">The HES grant and loan</a> | <p>Available to homeowners and offers grant funding for heat pumps of £7,500, or £9,000 to those living in rural areas. There is also £7,500 available as an optional interest free loan to further help towards the installation of a heat pump. £6,000 of interest free loan funding is available to households for solar PV panels when taken as a package of measures including a heat pump. In addition to this funding, up to 75% of the cost of energy efficiency measures can be covered by grant funding, up to a maximum of £7,500 or £9,000 in rural areas. The final 25% can be covered by an interest free loan, or paid by the customer as the loan is optional.</p> | <p>OIC to research eligibility and apply for funding if appropriate.</p> | <p>Ongoing</p>          | <p>NS&amp;I<br/>EL&amp;H</p> | <p>ICNZ<br/>ReFlex Orkney<br/>External Consultants<br/>Development Trusts</p> | <p><b>P</b></p> |

|   |  |   |          |      |                              |          |
|---|--|---|----------|------|------------------------------|----------|
| <a href="#">Warmer Homes Scotland (WHS)</a>           | Offers funding and support to households struggling to stay warm and keep on top of energy bills. This programme is available for homeowners and private sector tenants.   | OIC to research eligibility and apply for funding if appropriate. | Ongoing  | EL&H | OHAL<br>External Consultants | <b>P</b> |
| <a href="#">The Energy Company Obligation (ECO 4)</a> | Provides insulation and heating measures for low income, vulnerable owner occupiers. It is available to households in an Affordable Warmth Group in receipt of benefits or tax credits. This fund is also available to households in properties with an EPC D, E, F, or G. | OIC to research eligibility and apply for funding if appropriate. | Ongoing  | EL&H | OHAL<br>External Consultants | <b>P</b> |
| ECO Flex  | Participating local authorities can refer owner occupied and private tenured households considered to be at risk of living in fuel poverty or on low income and vulnerable to the impacts of living in a cold home.  | OIC to identify eligible households for funding.                  | Ongoing. | EL&H | OHAL<br>External Consultants | <b>P</b> |

