



# Delivering net zero for Scotland's buildings: Heat in Buildings Bill

**A response to the Scottish Government consultation by Stop Climate Chaos Scotland  
March 2024**

## **Introduction**

[Stop Climate Chaos Scotland](#) (“SCCS”) is a diverse coalition of over 60 civil society organisations in Scotland who campaign together on climate change. Our members include environment, faith and belief groups, international development organisations, trade and student unions and community groups. We believe that the Scottish Government should take bold action to tackle climate change, with Scotland delivering our fair share of action to keep global temperature rises below 1.5 degrees and supporting climate justice around the world.

SCCS welcomes the opportunity to respond to [this consultation](#), by the Scottish Government, on a Proposed Heat in Buildings Bill. After some preliminary observations below, this response offers some introductory, strategic remarks and then seeks to answer the questions in the consultation paper.

SCCS is aware that a number of our members and partner networks, such as the Existing Homes Alliance and WWF Scotland, will submit detailed responses. SCCS commends and supports these. We hope that, in taking forward this proposal, this submission (along with others) will be useful and taken into account.

## **Climate context**

From devastating droughts to catastrophic floods, the impact of the spiralling climate crisis could not be clearer, and those with the least responsibility for causing rising global temperatures are facing the most severe - and deadly - consequences.

The UN Secretary General, António Guterres, recently said: *‘humanity is on thin ice — and that ice is melting fast.’* He called on the world’s nations to *‘massively fast-track climate efforts by every country and every sector and on every time frame.’* Similarly, Lord Deben, the outgoing chair of the Committee on Climate Change, has said: *“our children will not forgive us if we leave them a world of withering heat and devastating storms where sea level rises and extreme temperatures force millions to move because their countries are no longer habitable. None of us can avoid our responsibility. Delay is not an option.”*

A climate emergency was declared by governments in 2019 in response to years of campaigning and the massive upwelling of concern expressed through the school strikes. Although this declaration raised unprecedented concern throughout society and business, it resulted in very little tangible new or accelerated action or policy. For this emergency to be taken seriously, we require a step up in action across every sector and at an accelerated scale and speed.

## **Heat in Buildings**

In response to the climate crisis as briefly described above, the Scottish Parliament has unanimously agreed - via the Climate Change (Scotland) Act 2009, as amended – that Scotland should reach net zero by 2045, as well as to achieve a 75% reduction in emissions by 2030 and a 90% reduction in emissions by 2040.

Tackling climate change and meeting these targets cannot be achieved without moving away from fossil fuel heating, which accounts for 20% of our annual climate emissions. This requires us to move to a widespread use of electric heat pumps and heat networks, powered by Scotland’s abundant renewables, cutting carbon emissions but also lowering household energy bills - helping us to tackle the climate and cost of living crises together.



However, it is essential that we accelerate the pace of action: today only 11% of Scotland's 2.5 million homes have low carbon heating and around half are below recommended standards of energy efficiency. As energy prices have risen, this has contributed to the unprecedented rise in fuel poverty, which now affects around 35% of households.

Fuel poverty is also compounded by pre-existing inequalities. Women, particularly disabled women, women from BAME communities and single mothers, are more likely to be poor<sup>1</sup>. This means that measures to tackle fuel poverty and ensure affordable energy could have a positive impact for women on low-incomes. Equally, these measures could also bring positive outcomes for children living in low-income households. As children's poverty is intrinsically linked to women's poverty<sup>2</sup>, this Bill could become one of the key instruments to help achieve Scotland's poverty reduction targets.

There is also an increasing body of evidence establishing the links between fuel poverty and health. According to data collected by the EmpowerMed project, "citizens who are affected by energy poverty are more likely to report suffering from a long-term illness or health problem" (54% versus 37%). In their Women's Survey 2023, the Scottish Women's Budget Group found that 11% of the 871 respondents stated that their accommodation impacted negatively on their health. This figure increased to 21% for disabled women and single parents. These groups also reported higher levels of mould/damp in their accommodation. Therefore, this Bill could also have a positive impact on people's health and wellbeing.

In addition, one in every four pounds spent heating a poorly insulated home is wasted through leaky roofs, walls, windows and floors. As a result, climate emissions from housing have fallen only 2% since 2015<sup>3</sup>.

Against this background – ambitious targets but little progress in recent years – it is very welcome that the Scottish Government has published this consultation. If taken forward and undertaken well, with early, clear decisions to provide certainty to all, the proposals in the consultation have the potential to make a significant difference to both meeting climate targets, tackling fuel poverty and improving health and wellbeing. However, **it is vital that the proposals agreed are ambitious, and then that they are taken forward both speedily and in a robust manner.**

Overall, therefore, SCCS generally supports the proposals set out (subject to the detailed comments made below), but would observe that the legislative proposals should form part of a wider 'policy package' and that such a package must include the following components:

- **High ambition**, both in sufficiency and urgency. The measures, taken together, must be sufficient to meet the emissions reductions from this key sector to enable the meeting of the 2030, 2040 and 2045 targets set by the 2009 Act, as amended. As such, they must also be speedily set and implemented.
- **Adequate funding**. While regulation is vital – and an important driver for action, it is important to ensure that the transition is fair and does not unjustly disadvantage those unable to comply from their own resources. This means that appropriate grants and loans must be made available. This includes full grant funding and expanded energy cost protection for low income and vulnerable households. Appropriate long-term grants should also be made available across the income spectrum, reflecting both the different cost of retrofit for different homes, and the income level of the receiving household. SCCS recognises, as per recent research from IPPR Scotland<sup>4</sup>, that this will require significantly increased investment from the government. However, sharing the cost of transition via grants across the income spectrum, backed up by progressive taxes, drives a fairer outcome for all. In short, households paying taxes is a fairer solution than households going into debt. And without such funding, the overall objectives (which are currently widely supported) will lose support.

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<sup>1</sup> [FINAL-VERSION-UPDATED-The-cost-crisis-paper-31082022.pdf \(wbg.org.uk\)](https://www.wbg.org.uk/wp-content/uploads/2022/03/FINAL-VERSION-UPDATED-The-cost-crisis-paper-31082022.pdf)

<sup>2</sup> Close the Gap (2018) Women, work and poverty in Scotland briefing (<https://www.closesthegap.org.uk/content/resources/1---Women-work-and-poverty-what-you-need-to-know.pdf>)

<sup>3</sup> Scottish Green Government, 2022, Scottish Greenhouse Gas Statistics 2020: <https://www.gov.scot/publications/scottish-greenhouse-gas-statistics-2020/pages/1/>

<sup>4</sup> <https://www.ippr.org/articles/no-home-left-behind>



- Regulation and funding must be accompanied by **effective public engagement and communications**. Without such engagement and communications, the Scottish Government will risk alienation and loss of support. NGOs, such as SCCS members, stand ready to provide support in this important area if the regulations and funding are in place. Evidence often shows that charities and other third sector voices are more trusted than the government when explaining the public interest.

By ensuring that programmes of renovation (of both private and rented sectors) with the roll-out of energy efficiency and low carbon heating systems, together with appropriate and adequate funding, as well as effective engagement and communication a 'one-stop-shop' for the transformation of heat in building can be developed. The success of such an approach has been demonstrated elsewhere - such as, with EU funding, in Padova, Italy<sup>5</sup>.

## **Responses to consultation questions**

### **Question 1**

**To what extent do you support our proposal to prohibit the use of polluting heating systems in all buildings after 2045?**

#### **Somewhat support**

Setting an end date for the use of all remaining fuel boilers is an important signal to send to industry and households. However, our support for this proposal is muted<sup>6</sup>, as the 2045 deadline set out here is not nearly ambitious enough. We believe this should be brought forward to at least 2040 to encourage faster action given the climate emergency and our climate targets. The worst outcome would be to reach 2040 and still have a massive share of our homes left to retrofit.

Furthermore, the latest proposal, in this consultation, is less ambitious than those set out in the Government's 2021 Heat in Buildings Strategy and this is deeply concerning. The proposals are highly unlikely to deliver the emissions cuts required to meet Scotland's vital 2030 climate target. Missing the 2030 target must be seen as an abject failure set against the escalating global impacts of climate negligence. Missing our climate targets simply adds to the injustice of devastating droughts, floods and cyclones that will continue to deliver hammer blows to the low-income countries who did least to cause this crisis. We must remember it is our moral duty to bring our emissions down as fast as possible. Every increment of warming translates into yet more loss and damage.

#### **Main heating system & gas cookers**

We agree that the prohibition on polluting heating should only apply to the main heating system(s) of a property and not to portable heaters. This is a useful accommodation for rural properties which could take a heat pump with a complementary room heater, e.g. woodstove, and provides for greater resilience during power cuts.

The backstop date of 2045 should apply to gas cookers, to avoid unnecessary maintenance of the gas grid. In any case, it would be expected that most households would disconnect (and switch to electric hobs and ovens) to avoid paying the standing charge. In terms of resilience, a portable bottle gas cooker could be permitted.

#### **Assessment tool**

An assessment tool could have some utility, particularly in relation to energy efficiency, but the purpose should be to explain options (e.g. for flats vs. houses) rather than identify potential exemptions as is implied in the consultation.

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<sup>5</sup> <https://worldgbc.org/article/bu2-cities-series-renovation-in-padova/>

<sup>6</sup> Indeed, it is sufficiently muted to consider 'opposing' the proposal - but have resisted this for fear that this might be interpreted as opposition because of its (limited) ambition, rather than its insufficient ambition!



## Question 2

**To what extent do you agree that we should introduce a minimum energy efficiency standard to be met by private sector landlords by the end of 2028?**

### **Strongly support**

Currently, private landlords have little incentive to make their properties energy efficient, and this is demonstrated by the fact that many of the least energy efficient homes are rented privately. The 2021 Scottish House Condition Survey shows that the private rented sector has the highest proportion of very poorly insulated homes (15% with EPC score E to G). An earlier deadline to meet the standards is fair and will ensure that tenants living in the least efficient properties benefit from warmer homes and lower energy bills sooner.

Such regulation has been proposed since 2021 by the Scottish Government (in the Heat in Buildings Strategy and the Fuel Poverty Strategy); thus, landlords have had plenty of notice. However, additional publicity now to ensure the new regulations are known and understood would be beneficial.

#### Clean heating and energy efficiency requirement

We also agree that privately rented homes should have to meet the energy efficiency standard in 2028 - even if they already have clean heating. This will help tackle fuel poverty - the private rented sector has high rates of fuel poverty (48% compared to 35% across all tenures<sup>7</sup>). Unlike homeowners, private tenants often cannot improve the energy efficiency in their homes themselves - a critical difference which means that a different approach is justified for this sector.

However, there is a risk that landlords could prioritise reducing the upfront capital investment costs over longer-term running costs. This could result in a landlord fitting a cheaper to install but more expensive to run a clean heating system. This could adversely impact on costs for the tenant – potentially exacerbating fuel poverty. Improved energy efficiency will help prevent excessively high energy bills in these cases. Thus, improving rented homes' energy efficiency alongside clean heating upgrades will help ensure that tenants have affordable running costs.

#### Protection for tenants

Tenants should, of course, be protected from unreasonable rent increases or eviction to enable upgrades. While in some cases, there may be justification for rents being increased to support the cost of investment (particularly where there is a subsequent reduction in energy bills), tenants must be protected from the small number of unscrupulous landlords who may seek to increase rents unreasonably. Current mechanisms (rent cap and forthcoming tapering mechanism) in Scotland should protect tenants from such situations. However, should these protections change, the Scottish Government should ensure alternative protections are in place.

#### Support for private landlords

Private landlords will also need support in terms of financial products and advice to ensure the new standard is met. Current loan schemes should continue to be available to support landlords to meet the standard. However, whilst Warmer Homes Scotland grant funded upgrades should continue in the short term; once the regulation enters force, this support should become more targeted so that wealthy landlords do not receive public funding simply for complying with the law.

Grant funding for solid wall insulation, which will not be required by regulations but provides significant energy saving benefits, should also continue

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<sup>7</sup> [Cost of Living Bill – Key Statistics](#), Scottish Government, November 2022



### Question 3

**To what extent do you agree that we should introduce a minimum energy efficiency standard to be met in owner occupied homes (which still have a polluting heating system) by the end of 2033?**

#### **Strongly support**

Improving energy efficiency in homes reduces energy use and carbon emissions, but also provides other benefits that are important to achieving a just transition like better health, reduced risks of fuel poverty and reduced demand on energy networks. Regulation is needed to accelerate the rate at which homes are improved, and it is important to apply standards across all types of home (e.g. alongside privately and socially rented homes).

#### Fabric standard and heat standard:

The consultation proposes that owner/occupiers will not have to meet the fabric standard if the property has a zero emissions heating system (either existing or new) before 2033. This is a pragmatic approach to regulation; however, some concerns have also been identified, including:

- Existing owner-occupied properties with old, inefficient electric heating will not have to take any action. These properties are likely to have high running costs and place greater load on the grid.
- Owner occupiers run a greater risk of incurring high running costs after fitting clean heating, if they are not given adequate advice.
- Properties with low energy efficiency will place a greater load on the grid.

To address these concerns, the continuation of attractive financial support for energy efficiency measures is necessary - alongside regulation and advice to encourage homeowners to consider meeting the fabric standard before installing a renewable heating system.

In addition, homes that connect to heat networks before 2033 should still have to meet the energy efficiency standard. There is a strong public interest case for this, as homes with poor energy efficiency could potentially reduce the capacity for additional buildings to connect to the network.

#### Fabric standard and fuel poverty

Fuel poor homes should be brought up to a higher standard of energy efficiency than that proposed for owner occupied or private rented homes. This was proposed by the Scottish Government's Heat in Buildings Strategy which said:

*"As set out in the 2018 Energy Efficient Scotland Route Map, we believe that homes with households in fuel poverty should reach higher levels of energy efficiency. We want all fuel poor households to benefit from an energy efficiency rating equivalent to EPC C by 2030 and equivalent to EPC B by 2040."*

It is important that this goal is maintained and that Scottish Government programmes (Warmer Homes Scotland, Area-Based Schemes) achieve these higher ratings. Proposals for the social rented sector to reach this higher fabric efficiency standard by 2040 should also be implemented.

There is a strong public interest case to support improving the energy efficiency of our homes. It contributes to meeting Scotland's statutory fuel poverty targets, helps address wider poverty concerns, and leads to benefits such as improved health and well-being and reduced costs to the NHS<sup>8</sup>.

#### Agricultural Tenancies

The standard should apply to agricultural tenancies. In 2019, the Scottish Government introduced the requirement for agricultural tenancies to meet the Repairing Standard by 2027 with eight years

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<sup>8</sup> <https://www.sciencedirect.com/science/article/pii/S2666535223000423?via%3Dihub>



allowed for compliance. Therefore, the sector has had ample time to plan and finance the upgrade of their properties.

However, clarification is required regarding the respective responsibilities of the owner and the tenant for compliance with the proposed Heat in Buildings standard. A slightly later backstop date for agricultural tenancies will be appropriate given the sector has only recently been regulated. These areas must be clarified urgently so the sector can plan accordingly.

The proposed 'purchase trigger' which would require action by the buyer of an estate for all the domestic properties, including agricultural tenancies, is welcome and is one we support.

#### **Question 4**

**Do you agree with our proposal to set a minimum energy efficiency standard that can be met by either installing a straightforward list of measures, or showing a good level of energy efficiency based on a reformed EPC fabric efficiency metric?**

#### **Strongly support**

Providing two ways to comply with the energy efficiency standard gives homeowners more flexibility and draws on the strengths of each method. It also follows existing good practice such as standards in the US and the Dutch 'renewable heat ready' standard which offer multiple compliance routes.

A list of measures is a useful communication tool and is likely to be easier for homeowners to visualise than 'EPC C' (or the equivalent metric). However, it is a blunt tool and cannot account for where people have gone over and above on some efficiency measures, nor is it suitable for unusual homes (older and maybe those that have been extended over time under different regulations) which are efficient but use different materials/techniques.

The alternative metric of space heating demand (expressed as m<sup>2</sup>/year) provides a more accurate picture of a homes' energy efficiency, since it takes into account the impact of age and shape (external walls exposed to the elements) as well as existing insulation measures and their extent (e.g. if only some walls or windows are insulated). It will also enable people to compare the energy performance of different homes, and across tenures (e.g. the social housing sector). This will ultimately help households make the right choices for their home. However, this is dependent on the reformed EPC being ready and rolled out to assessors well in advance of regulation.

There are pros and cons for both approaches in terms of ensuring compliance. Whilst evidencing installation of measures through submission of receipts etc may seem to be an easier option, the EPC assessment route may be the easiest route for many. Consideration should be given to supporting households to get (reformed) EPC assessments as a means of helping them to better understand their homes and assist with building up data for monitoring purposes.

#### Alignment of the two routes

However, the amount of energy efficiency improvement required for homes complying with the space heating demand target may be much less than for those complying with the list of measures. It is vital that the two routes are aligned, in terms of effort, to avoid people opting for the route of least resistance, which will reduce the amount of retrofit activity driven by the standards. The disparity will also be unfair on those choosing to comply with the list of measures, which requires more effort to meet.



#### Question 5

**What is your view on the initial proposed list of measures to meet the minimum energy efficiency standard?**

##### **Strongly support**

The proposed energy efficiency measures are sensible and similar to previous Scottish Government proposals of bringing homes to an Energy Performance Certificate 'C' rating. The exclusion of solid wall insulation will make it difficult for solid wall homes (which account for about a quarter of the housing stock) to reach 'a good level of energy efficiency' but it is pragmatic to give households a choice regarding the installation of this higher cost and potentially disruptive measure. Grants and advice should continue to be available to encourage its use, given the large reductions in energy and carbon that it can achieve.

The opportunity for further exploration of this list through further consultation is welcome, and we note and commend the suggestions from WWF Scotland, informed by research commissioned from Cambridge Architectural Research.

#### Question 6

**Do you think that properties for which most or all of the measures on the initial proposed list are not relevant should be required to meet an equivalent minimum energy efficiency standard?**

- c. Yes – they should be required to meet the standard and additional measures should be included on the list (such as solid wall insulation, solid floor insulation and flat roof insulation), but they should only be required to install some of these where feasible and cost effective.**

Properties for which most or all of the measures on the initial list are not relevant should be required to meet an equivalent minimum energy efficiency standard, by expanding the list of measures as set out in the answer to question 5 - requiring all solid wall properties to fit suspended floor insulation (with no exemption for where there is no access to the below floor areas).

#### Question 7

**Do you think that an alternative approach to setting the minimum energy efficiency standard is required?**

##### **Yes**

It should be the proposed fabric efficiency metric for reformed Energy Performance Certificates. This is widely regarded as the most appropriate way to measure the energy efficiency of a home, as it considers the age, shape and existing energy efficiency measures. This will provide more accurate information both for monitoring purposes, but also at the householder level. This approach should be encouraged and supported, but an alternative route to compliance would be an enhanced list of measures as detailed in our response to question 5.

However, the standard would be better to be based on minimising the whole-system costs of warm homes. The proposals focus on the individualised costs. These should not be the barrier to the most cost-effective delivery of warm homes in a future without fossil fuels. Committing to a system of grants, backed up with progressive taxation, is how Scotland can fairly get the right solution.



## Question 8

**Do you agree that the use of bioenergy should continue to be permitted in certain circumstances?**

**b. Yes, it should be permitted for those buildings already using it**

The use of bioenergy for heating buildings, especially homes, should be limited because the materials used to produce (forest products, organic waste residues) will be in high demand as Scotland's economy is increasingly decarbonised. Bioenergy resources should be used only in (or focused on) sectors with fewer low carbon alternatives.

For homes for which no other clean heating system is genuinely available, an exemption/appeals process should be available to consider applications on a case-by-case basis (to avoid the creation of further exemptions and potential loopholes). Some bioenergy resources (such as biomethane produced with anaerobic digestors) are used in commercial premises to provide heat, typically where there is a factory or industrial process (e.g. food processing). Use of bioenergy in such circumstances should be allowed as a last resort, subject to an exemption/appeals process.

In all cases, strong sustainability criteria must be in place and improved to ensure that any permitted bioenergy heating provides genuine carbon reductions and does not have negative impacts on the wider environment.

## Question 9

**To what extent do you support the requirement to end the use of polluting heating following a property purchase?**

**Strongly support**

This proposal is an important step towards tackling climate change, which cannot be achieved without ending the use of fossil fuel boilers. To meet our climate targets, the switch to clean heat must be accelerated, and the proposed backstop date of 2045 on its own will not be enough to encourage action and achieve the necessary emissions reductions in the next decade. It is also consistent with the approach taken in other European countries such as the Netherlands and France, gives industry clarity about future demand and encourages investment in new skills and training.

Placing this requirement on new home purchases is sensible - as this is a point at which many homeowners will make renovations and improvements. The requirement will ensure that a new heating system is fitted as part of these changes. It will also make it easier for households to finance these works, as funds can be borrowed as part of a mortgage, but this does not mean it will be fair to require households to cover the cost of retrofit without appropriate and substantial grants.

## Question 10

**We are proposing to give those purchasing a property a 'grace period' to end their use of polluting heating. Do you agree with this proposal?**

**a. Yes - the grace period should be two years**

It is right to give households time to replace their fossil fuel boiler after purchasing a property, which will allow homeowners and landlords to get advice, quotes, and the best design possible for their home. The grace period should be limited to two years, to encourage homeowners to undertake the





work as part of other renovations - changing the heating system might require changes to radiators or hot water tanks, and it is best that any redecoration or laying of new flooring is done after these works.

The grace period should be two years initially to allow the supply chain to grow and for greater public awareness and understanding of the regulations. This should be reviewed, however, with the aim of shortening this grace period to 12 months if it is pragmatic (in terms of reasonable time to get a clean heating system installed, including appropriate energy efficiency measures).

A grace period longer than two years will delay action too much in terms of building up the supply chain, lowering prices, and tackling the climate emergency.

### **Question 11**

**To what extent do you support our proposal to apply a cost-cap where people are required to end their use of polluting heating following a property purchase?**

#### **Somewhat oppose**

It is important to make the standard fair, but we believe a cost cap is a blunt tool and will not achieve this. Instead of a cost-cap excluding households from participating in the transition, policy should ensure the affordability of whatever costs a household has to contribute when their home is converted. Research from IPPR<sup>9</sup> shows how this can be done through appropriate grants, and that this approach fairly shares the costs across the population.

The affordability issues could be further addressed by:

- (1) extra support – advice and finance; and
- (2) a system of exceptions (abeyances, exemptions) which can be tailored to the individual property or personal circumstances through an appeals process.

It is important to note that the proposals already provide flexibility and scope for delay for homes that might face higher than average costs to comply with the clean heating requirements. The exemption for homes within heat network zones, and the range of technologies that are proposed to qualify as 'clean heating' (electric heat pumps, other electric heating like storage radiators, and potentially some bioenergy) will all widen homeowners' options.

A cost cap runs the risk of 'expensive to upgrade' or 'hard to reach' individuals being left behind in the clean energy transition. These properties will remain cold, damp, and draughty, placing the occupants in or at risk from fuel poverty. They could also be left reliant on increasingly out of date heating systems. Should clean heating systems remain more expensive or challenging to finance than fossil fuel boilers by the time that the regulations enter force, it will be important that the current Scottish Government grants and loans (with a rural uplift) are maintained and improved, with a review to taper the level of support as costs reduce and innovative ways to finance the transition come on stream.

### **Question 12**

**Which of the following methods of applying a cost-cap do you support?**

Please see our comments to Question 11; a cost cap should be introduced only as a last resort and should not leave any household behind. Affordability is critical and where costs are not affordable for the household, financial support should be provided.

If, however, one is applied, it could be:

- A size-based cap based on internal area (and banded, by heating system output).

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<sup>9</sup> <https://www.ippr.org/articles/no-home-left-behind>



- Purchase price-based to avoid penalising those with very low value homes (e.g. avoid costs exceeding say 5-10% of property value).
- Time-limited to acknowledge there will be changes in costs and personal circumstances.

### Question 13

**To what extent do you support the proposal that the Scottish Ministers should be given powers to extend the circumstances in future (beyond a property purchase) in which people could be required to end their use of polluting heating?**

#### **Strongly support**

Powers for Scottish Ministers to extend the circumstances in the future in which people could be required to end their use of polluting heating are necessary – to enable adaptation as circumstances and markets develop, to increase efforts if or when monitoring shows that progress is insufficient. Indeed, as suggested below, it is likely that the ‘at purchase’ requirement on its own will be insufficient making these powers crucial.

It has been estimated that the ‘at purchase’ requirement would result in around 700,000 homes fitting clean heating systems by 2045<sup>10</sup>. This would mean that c.40%<sup>11</sup> of eligible owner occupied and private rented homes would have fitted a clean heating system by 2045, leaving the majority to wait for the final 2045 deadline to make the change (this is likely an underestimate, as we have not allowed for the reducing impact of the regulation over time as some homes are bought and sold much more regularly than others).

Relying only on the clean heat proposals in the consultation would result in climate emissions from homes remaining far above the pathway for Scotland’s emissions set out in the Climate Change Act (e.g. via the interim 2030 target) and risk pressure on the supply chain to deliver in later years. It will, therefore, be necessary to introduce further policies to drive the replacement of polluting heating systems, to deliver further emissions reductions and enable a steadier scaling up of the industry to deliver the final 2045 goal. Options for additional such triggers include planned boiler replacements and any major renovations.

### Question 14

**To what extent do you support our proposal to provide local authorities (and Scottish Ministers) with powers to require buildings within a Heat Network Zone to end their use of polluting heating systems by a given date?**

#### **Strongly support**

We strongly support this proposal that will give many homes more options for switching to clean heating and will help the development of heat networks by providing more clarity about potential future customers. This should ultimately result in lower costs for homeowners and landlords.

Local authorities should have the flexibility to apply the power at different times for different building types – for example, potentially requiring non-domestic or larger buildings to end their use of polluting heating first to ensure appropriate anchor loads for networks. In the meantime, all homes within prospective or indicative Heat Network Zones (HNZ) should be exempted from ending their use of polluting heating until such time as a heat network is available for connection.

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<sup>10</sup> Assuming 100,000 home transactions per year, 74% of which are owner occupied or private rented homes, 10% already have clean heating and 40% are exempted through being in a heat network zone.

<sup>11</sup> 700,000 of the 1.64m owner occupied and PRS homes without clean heating today



Although this approach would result in more homes being exempted from the point of purchase requirement, research<sup>12</sup> suggests that low carbon heat networks are likely to be the most convenient and cost-effective option for people living in more densely populated urban areas, in particular, flats.

It should be recognised that it may be 10-20 years before some heat networks are up and running, and there is scope for other appropriate solutions (such as air to air heat pumps) to be developed during that time. There should, therefore, be regular review points to ensure that the exemption on the grounds of being within a HNZ remains appropriate.

#### Communication

Currently, there is a high level of confusion in relation to the switch to clean heating, with many people for whom heat networks will be the most appropriate solution, being under the impression that they are going to be required to install a heat pump. There is an urgent need for clear communication from the Scottish Government AND local authorities on the future role of heat networks.

#### **Question 15**

**To what extent do you support our proposal to provide powers to local authorities (or Scottish Ministers) that require developers to connect new buildings within Heat Network Zones to a heat network?**

#### **Strongly support**

This proposal would provide additional certainty and support business cases for heat network development.

#### **Question 16**

**To what extent do you support our proposal to require occupiers of non-domestic properties to provide information about unused heat on their premises?**

#### **Strongly support**

This proposal is both welcome and important - as maximising the use of recoverable and waste heat enhances resilience, has the potential to increase the viability of heat networks and reduce energy costs. There is also scope for unused heat from non-domestic properties to supply smaller scale mixed tenure networks.

#### **Question 17**

**To what extent do you support our proposal to potentially require buildings with unused heat to provide this to a local heat network?**

#### **Strongly support**

As stated in our response to question 16, such an approach would enhance resilience as well as the viability of heat networks. Utilising waste heat also creates a potential opportunity to reduce costs to end users, helping to tackle high energy costs as a driver of fuel poverty.

#### **Question 18**

**We will need to have a way to monitor if people are meeting the Heat in Buildings Standard and discussed two options for this.**

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<sup>12</sup> [Affordable Warmth: next steps for clean heat in Scotland](#), WWF Scotland, 2023



**c. A combination of the two**

It will be important to monitor if people are meeting the standard to ensure that the carbon and energy benefits of renovating homes are achieved. It is, therefore, sensible to use both methods to achieve this, to understand whether regulation is working, contributing to the achievement of fuel poverty targets, and whether the regulations, support and/or enforcement need to be strengthened.

**Question 19**

**We will need to have a way to enforce the Heat in Buildings Standard. We discussed possible options to help achieve compliance. What are your views on these ideas?**

**d. SCCS supports a mixture of the [ ] options [presented]**

Clear, legal enforcement measures and civil penalties should be in place, but be used only as a last resort, if/when they are required. The focus should be on encouraging and enabling compliance through information, advice and financial support. However, if last resort legal measures are not available these enabling measures will be less effective.

To minimise the need for enforcement, the Scottish Government must ensure that an effective enabling framework of other policies is in place, including awareness raising, easy to access advice and support and a range of financial support mechanisms.

We also agree with the consultation paper that “Costs are likely to be the main reason which prevents people from undertaking work to meet the Standard”, and it’s certainly the case that this could cause a disincentive to meet the standard as quickly as possible. With this in mind, we support recommendations made in the recently published paper from IPPR Scotland<sup>13</sup> that makes the case for appropriate, long-term grant offers being made available across the income spectrum paid for through progressive taxation. Critically, the size of grants should reflect both the different cost of retrofit for different homes, and the income level of the receiving household. For those households that are ineligible for full grant funding, this would mean the after-grant cost households pay themselves would be more reflective of their financial circumstances than whether the cost of undoing the legacy of fossil fuels in their own home happens to be high or low.

This would reduce the impact of a household’s retrofit on its own financial position, and so counter the private financial incentive to delay or avoid meeting the standard. This research also shows that efforts to reduce financial disincentives to meet the standard without increasing public spending are likely to work against a just transition, as their effect will likely be regressive. Grants would likely be tapered over time as expected reductions in technology costs (both the upfront and running cost of heat pumps) take effect.

**Question 20**

**To what extent do you support our proposals to modify the Standard or exempt certain people from the need to meet the Heat in Buildings Standard?**

**Somewhat support**

The proposal to provide some limited exemptions that would modify the standard or exempt people from meeting the standard is logical. However, these exemptions should be applied only in very limited circumstances, otherwise the impact of the regulations will be diminished, and it could undermine the credibility, fairness and certainty they are meant to provide.

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<sup>13</sup> <https://www.ippr.org/articles/no-home-left-behind>



Exemptions will include (presumably) abeyances (delay) and variance (modification of the standard) and not a permanent exemption. All should be time-limited given both technology and personal circumstances can change quickly.

As a starting point, the need for an exemption should be seen as a signal for extra support – for advice, ‘handholding’ and/or financial support. Every effort should be made to assist the homeowner or landlord to meet the standard with exemptions used as a last resort. At no time should exemptions be seen as a replacement for public support for those in need.

Critically, exemptions should not reflect people’s financial circumstances or the cost of the retrofit that is needed. That’s because people should not be left in a situation where they face costs they cannot afford for a contribution to collective objectives. As outlined above in Q19, recent modelling from IPPR shows that the fairest and most effective way to ensure as many households as possible meet the Standard is by providing upfront grants. We think it is critical that financial support is offered across the income spectrum and tailored to both the cost for different home types and household income levels, paid for through progressive taxation, and thus uncoupling the timing of a household meeting the standard from the mechanism by which that household contributes financially.

This would shift the balance of households’ contribution to the cost of the transition by reducing the amount they must pay directly to meet the standard in exchange for contributing to the transition via taxes. By doing so, the need for exemptions would be limited further, and where abeyances (delay) and variance (modification of the standard) do apply, it would also ensure fairness is built into the system so that these exemptions do not undermine the need to meet the Standard for everyone else.

#### **Question 21**

#### **Which people, businesses, or types of buildings, if any, should be eligible for a modified standard or exemptions?**

The consultation proposes that exemptions can be technical (to do with the property and the measure/technology) or the individual (personal circumstances – financial or otherwise).

In terms of technical exemptions, there are clearly some situations where it might be sensible to apply an exemption – where there are definite plans for demolition or major renovation in the future. Exemptions could also apply where an energy efficiency measure is not feasible or cost effective for the property type.

However, in relation to individuals, it is probably unwise to try to identify certain individual characteristics which would qualify someone for an exemption. The solution (extra help, finance or an exemption as a last resort) needs to be tailored to the individual. There should be an easy to navigate process to evidence the need for an exemption. For vulnerable households, support should be provided to go through the appeals process. Certain principles could be used to guide whether or not an exemption would apply, such as cost, need for more time, requirements of additional heating.

The proposal for a blanket exemption for first time buyers is certainly problematic. First time buyers are not a homogenous group and will have different needs. Furthermore, this blanket exemption could mean these properties (and the owners) are left behind in the transition especially if they are repeatedly sold to first time buyers. It would be more helpful to provide more time and/or financial support to bring down their loan costs.

Similarly, the suggestion that blanket exemption could apply to those individuals who move more than once before 2045 is too generic. Individual circumstances and needs will vary considerably within this group and a more tailored approach for assistance is required.



#### Historic or environmental considerations

There will be existing planning constraints that may require an exemption, such as protected species that cannot be disturbed, or constraints for listed buildings that may prevent installation of energy efficiency measures or clean heating systems.

In terms of the latter, we believe an urgent review of planning restrictions on energy efficiency measures and clean heating technologies for listed buildings and conservation areas with the aim of facilitating compliance with the Heat in Buildings Standard. It is not reasonable given the climate crisis and fuel poverty concerns that these households are left to live in homes that are draughty and cold when there are solutions that can be sympathetic to cultural concerns.

#### **Question 22**

**To what extent do you support our proposals to give certain people extra time to meet the Heat in Buildings Standard?**

##### **Somewhat support**

Building on the response to Question 21, it is important to note that while giving certain people extra time to meet the Standard may be necessary, it must be combined with a long-term grant offer available across the income spectrum paid for through progressive taxation. This is vital so that the system of exemptions doesn't delay certain households meeting the Standard because of perceived savings through deferring the cost to a later date.

Furthermore, where the solution is available, policy must make sure households are not unable to adopt it because of their income.

#### **Question 23**

**Which people, businesses or types of buildings, if any, should be eligible for extra time?**

See our response to Question 21. As building archetypes are so varied, and often have been added to over time, individual solutions are necessary rather than blanket exemptions. The aim should be to get the vast majority of properties to meet the standard, and financially supporting them, through grants, to do so. We must ensure all homes are prepared for a future without fossil fuels, irrespective of their own financial circumstances.

#### **Question 24**

**To what extent do you support our proposal to require all buildings owned by a Scottish public authority to be using clean heating systems by 2038?**

##### **Strongly support**

Public buildings can play an important role in the heat transition by providing anchor heat loads for early heat network development, helping to de-risk these projects and accelerate deployment, as well as providing leadership as early adopters.

If public buildings (especially those under the ownership/management of Scottish Ministers or Scottish Government agencies) were not subject to such a requirement, the effect would be the opposite of the leadership mentioned above – it would generate accusations of 'hypocrisy' and undermine all the efforts and ambitions of these proposals.



### Question 25

**We are considering [a number of] further duties on public sector organisations to support planning for the transition by 2038. Please tell us which option(s) you would support.:**

- a. Placing a new duty on public sector organisations which would, from 2025, prevent them from replacing a polluting heating system with another (unless impractical);**

SCCS supports placing a duty on public sector organisations to prevent them from replacing a polluting system with another polluting system from 2025. Such a duty could be complemented by additional duties to plan for the transition and report progress – but the primary duty should be related to the overall outcome desired: that is, heat decarbonisation.

### Question 26

**Do you agree with our proposals to include powers in the proposed Heat in Buildings Bill to change the current requirement in legislation for a narrowly defined renewable heat target?**

#### **Don't Know**

It is unclear, from the consultation, what is proposed – or how such powers would be used. However, if such powers are introduced and used, it is critical that the renewable heat target, and progress towards meeting it, is transparent and takes account of heat provided by heat pumps, heat networks and other zero emissions heating systems.

### Question 27

**Do you agree that the Heat Networks (Scotland) Act 2021 should be amended in light of the passage of the Energy Act 2023?**

#### **Yes**

Yes; the Heat Networks (Scotland) Act 2021 should be amended in light of the passage of the Energy Act 2023 to ensure consistency in terms of definitions.

### Question 28

**Are there any further amendments to the Heat Networks (Scotland) Act 2021 that the Scottish Government should consider?**

The Scottish Government should consider amending the Heat Networks (Scotland) Act to require new developments that are located within a Heat Network Zone to be “heat network ready”.