

BACKGROUND NOTE FOR S6W-16061

1. Liam MacArthur has been serving as Deputy Presiding Officer for the Scottish Parliament since May 2021. He is a member of the Scottish Liberal Democrats and has been the MSP for Orkney since 2007.
2. Liam MacArthur has submitted two Parliamentary Questions regarding air to air heat pumps:

S6W-16060: to ask the Scottish Government what assessment has been carried out of the potential benefits of including air to air, as well as air to water, heating systems in schemes available for grant and loan support through Home Energy Scotland.

S6W-16061: to ask the Scottish Government for what reason grant and loan support is not available through Home Energy Scotland for air to air heating systems.

3. Why is the question being asked now?

In December 2022, the HES Grant and Loan Scheme was launched to support homeowners with the installation of energy efficiency and zero emission heating measures, replacing the previous HES Loan and Cashback Scheme.

BACKGROUND

1. The Heat in Buildings Strategy included a commitment to replace the cashback arrangements of the Home Energy Scotland (HES) Loan and Cashback Scheme with a standalone grant. This commitment was also included in the Bute House Agreement and Programme for Government 2022-23.
2. In December 2022, the HES Grant and Loan Scheme was launched to support homeowners with the installation of energy efficiency and zero emission heating measures, replacing the previous HES Loan and Cashback Scheme.
3. The Grant and Loan scheme offers eligible owner-occupiers across Scotland a standalone grant that can be taken in tandem with an optional interest free loan.
4. For zero emission heating measures, grant funding of up to £7,500 is available for heat pumps, with an additional £7,500 of funding available as an optional interest free loan. For energy efficiency measures, grant funding for energy efficiency improvements is up to 75% of the combined cost of measures up to a maximum grant amount of £7,500. An additional £7,500 of funding is available as an optional interest free loan. All heat pumps must provide a whole house service which provides both hot water and heat to the property.
5. In recognition of the higher installation costs in rural areas, there is an uplift of £1,500 for both the zero emission heating and energy efficiency grants for rural and island homes. Rural households can now claim up to £18,000 in grant funding compared to £15,000 in non-rural areas.

6. Packages of measures have been created to support the uptake of complementary measures that offer substantial improvement to energy efficiency and heat decarbonisation of households.
7. The HES Grant and Loan scheme is currently supplied through a consumer-led model where the funding is applied for by the consumer directly, who in turn is responsible for sourcing and paying suppliers before claiming back funding.
8. **Annex A** includes more information on eligible measures and the amount of funding available under the HES Grant and Loan Scheme.
9. The budget allocation across the previous HES Loan and Cashback Scheme and replacement HES Grant and Loan Scheme together in 2022/23 is £42 million, double the amount from 2021/22.

Annex A

Funding for Energy Efficiency: up to 75% of combined cost of the improvements and up to maximum grant of £7,500 (£9,000 in rural area)

Measure	Maximum Funding Available	Maximum Grant
Primary Energy Efficiency improvements		
Solid Wall insulation	£10,000	£7,500
Flat roof or room-in-roof	£4,000	£3,000
Loft insulation	£2,000	£1,500
Floor insulation	£2,000	£1,500
Cavity wall insulation	£2,000	£1,500
Double or secondary glazing	£8,000	No grant funding
Warm air units (electricity fuelled only)	£5,500	No grant funding
Insulated doors	£4,500	No grant funding
High heat retention electric storage heaters	£5,500	Up to £2,500 if taken as part of package- if evidence that heat pump is not suitable
Secondary Energy Efficiency Improvements		
Cylinder thermostat	£500	£375
Draught proofing	£500	£375

Wastewater heat recovery system	£500	£375
Hot water tank jacket	£500	£375
Heating controls	£600	£450

Funding for Zero Emission Heating, Renewable Energy Systems and Heat Network Scheme Connection: up to maximum grant of £7,500 (£9,000 in rural areas)

Measure	Maximum Funding Available	Maximum Grant
Heat pump (air, hybrid air, ground, or water source heat pump)	£15,000 Rural areas: £16,500	£7,500 (Rural areas: £9,000)
Replacement heat pump (air, hybrid air, ground, or water source heat pump)	£7,500	No grant funding
Biomass boiler or stove	£15,000	£7,500. (Rural areas: £9,000) Upon evidence that a heat pump is not suitable
All other heating and renewable energy systems will be offered interest free loan funding only, which can be offered for up to 100% of the quoted installation costs or the maximum amount, whichever is lowest.		
Wind turbine	£2,500	No grant funding
Hydro turbine	£2,500	No grant funding
Solar water heating.	£5,000	No grant funding

Hybrid solar PV / water heating	£5,000	No grant funding
Solar PV	£6,000	Up to £1,250 if taken as part of package
Energy storage system (heat or electric battery)	£6,000	Up to £1,250 if taken as part of package
Heat network connection (fully or partially renewably powered).	£7,500	No grant funding

Packaged Support

Package	Maximum Funding Available	Maximum Grant
Heat pump (air, hybrid air, ground, or water source heat pump) Solar PV Energy Storage System (heat or electric batteries)	£27,000 Rural areas: £28,500	£10,000 (Rural areas: £11,500)
High retention electric storage heaters Solar PV Energy storage system (heat or electric batteries)	£17,500	£5,000 (Rural areas: £6,500)

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