

## Area Based Schemes 2025-2026 (ABS 13) SCHEME DELIVERY AND ADMINISTRATION



*Removing poor energy efficiency as a driver for fuel poverty – achieving an EPC rating equivalent to C or better by 2030 for eligible homes.*

### Timetable for Planning, Assessment and Delivery of ABS 13 (25-26)

w/c 19 May 2025	<b>Scottish Government</b> - Issue programme and delivery guidance, invite councils to submit plans/proposals
By 6 June 2025	<b>Councils</b> - Deadline for submission of plans and proposals
By 27 June 2025	<b>Scottish Government</b> - Complete appraisal of proposals and issue offer of grant
30 September 2025	<b>Council</b> contracts must be at tender

### Timetable for financial reporting and 25-26 accruals (ABS 13)

27 March 2026	Councils must submit a claim for completed ABS 13 works and provide details of committed works to end May 2026
30 April 2026	Councils may make a final claim against 25-26 budgets where works were completed by the end of 31 March but not invoiced
30 May 2026	Councils must complete all ABS13 committed works by the 30 May 2026
26 June 2026	Final claims for ABS13 works and invoices for payment to be submitted to Scottish Government

## ***Key Changes from 2024/2025***

- **2025-26 offers of grant will be provided to councils by 27 June 2025 and contracts must be at tender by 30 September 2025.**

**Feedback will be provided to every council about delivery of ABS12 (2024/25), including about your annual report**

- **Household contributions for ABS 13 should normally be capped at a maximum of £950 towards the costs of energy efficiency improvements for eligible households (i.e. households living in fuel poverty).**
- **Councils have discretion to require a household contribution as well as to grant an exemption or require a higher/lower contribution; households in extreme fuel poverty should not normally be asked for a contribution.**
- **ECO finance should continue to be leveraged where possible. Projects can remain broadly aligned with ECO replacing ABS funding or this can be leveraged in parallel with an ABS project (i.e. 100% ECO finance).**
- **ABS 13 Measures must be delivered to PAS 2030:2023 requirements and councils should take steps to remedy inadequate ventilation.**
- **ABS 13 projects must be designed on the basis of a whole house approach and achieve broad PAS2035 compliance.**
- **ABS 13 projects benefitting remote rural and island communities can include renewables with battery storage if this will improve resilience.**
- **ABS 13 projects that intend to make use of spray foam insulation will be treated as special projects and must be delivered in line with best practice guidance. (NB that Qbot has withdrawn from supporting new under floor installs)**
- **Only ABS 13 works carried out or completed before 31 March 2026 can be claimed against 2025-26 budget allocations.**
- **All special projects must be submitted no later than 30 September.**
- **As part of the application process for grant funding, applicants are asked to provide a statement verifying their Fair Work First commitment.**
- **Quarterly Profiling of Spend is now a requirement of grant, and this is included within the Schedule 1 document.**
- **Figures must be reported for number of households as well as number of measures**

## Financial Reporting and administration

1.1 Contracted works must have started and **at least one claim/invoice has to be raised and provided to the Scottish Government by 28 November 2025.**

1.2 As a requirement of grant, councils will now be required to provide an estimated profile of spend for each of the 5 “quarters” of the ABS 13 programme. This profile forms a section of the Schedule 1 document within the grant award letter. This profile has to be provided alongside the application for grant. These profiles can be updated during the programme, to reflect more accurate spend. This will enable budgets and spending pressures to be more effectively managed by councils and the Scottish Government.

1.3 Where claims reflect project management costs etc. councils are encouraged to consider profiling their enabling costs. These can then be raised as a regular claim on a monthly or quarterly basis (as some councils already do).

1.4 Claims against the 2025-26 budget allocation will only be accepted for works carried out by 31 March 2026. ABS 13 works carried out by 31 March 2026 but not yet fully invoiced can continue to be accrued, preferably these should be provided as part of a final claim by 30 April 2026. The value of the accrual reported to the ABS team should only reflect activities and costs incurred up to 31 March 2026.

1.5 In line with the offer of grant, these costs can then be claimed as part of ABS13 allocations until the end of June 2025. Where ABS13 works cannot be completed by the end of May or a claim raised by June, the ABS team will not be able to offer further extensions. We expect to agree the carry forward of works that finish after May into ABS14 (as in previous years). If additional funding is available, we will first consider an offer of additional grant. If additional funding is unavailable, then we expect to offer a grant variation for ABS13 in 2025-26 (as previously).

1.6 Councils must complete an accrual letter for an amount that covers works that will be **COMPLETED** before the 31st March 2026, but which you will not be able to claim before this date. This accrual must also include any finance that has been held in reserve for snagging issues after the completion of projects.

1.7 Where additional funding is being requested, councils **MUST** provide an updated schedule 1 clearly showing the amount to be claimed and additional measures/works to be provided.

## 2. Deliverability

2.1 Proposals for 25-26 funding (ABS 13) **MUST** be fully deliverable, i.e. all works must be completed by 30 May 2026 and all grant drawn down before 30 June 2026. Schemes and projects proposed in council applications for 2025-26 funding must be at tender by the 30 September 2025 at the latest. Contracted works must have started and at least one invoice must be raised and grant claimed from the Scottish Government by 28 November 2025.

2.2 These requirements are a condition upon the offer of grant to councils. Councils should note that the offer of grant may be amended or withdrawn by the Scottish Government in the event of non-compliance with grant conditions.

## 3. Eligibility and maximum grant funding per household

3.1 Scottish Government grant is only available to meet the costs to councils in delivering energy efficiency measures as grant-in-kind, it is not available and should not be provided as a direct financial grant to a third party. Councils **must not** notify levels of grant-in-kind to contractors, estimates should be provided for the costs of works before officers decide the value of grant-in-kind to be provided.

3.2 Eligibility for ABS13 remains the same as for previous schemes and projects (as per the [Affordable Warmth eligibility criteria for ECO3](#)). If they are eligible, property owners are only ever allowed one full grant-in-kind for their property through ABS and requests for exceptions should be raised with the ABS team.

3.3 For private households in or at risk of fuel poverty ('in-fill' properties), the following will be the maximum average spend per unit for fabric measures, for the 2025-26 programme:

	Flats	Mid and End Terrace	Semi-detached	Detached
ABS Funding	REDACTED	REDACTED	REDACTED	REDACTED

Councils can continue to use ABS funding to provide measures to in-fill properties, as per the simplified [ECO4 guidance](#). In-fill properties are eligible for the uplift to costs for remote rural and island communities.

### ***Uplift for Extreme Fuel Poverty***

3.4 Where a household is deemed to be in extreme fuel poverty, councils can apply additional ABS funding up to a maximum of REDACTED per household for energy efficiency measures (as above). Whilst a household contribution may be sought from households benefitting from the extreme fuel poverty uplift, for example for additional repairs or to reflect a larger property/costs, councils should not normally exceed the maximum household contributions (see below).

	Flats	Mid and End Terrace	Semi-detached	Detached
Extreme Fuel Poverty (with Uplift)	REDACTED	REDACTED	REDACTED	REDACTED

### ***Whole house retrofit – heating and micro-generation measures***

3.5 Since April 2021, additional uplift can be applied where councils are installing replacement zero/low carbon heating or microgeneration measures in a property and where this will reduce overall household energy bills (e.g. by reducing the costs of hot water, secondary heating etc.). In 25-26, councils can use ABS grant funding up to a maximum average intensity of REDACTED in grant-in-kind for these measures (as part of a whole house retrofit). Household contributions can be requested and are not subject to the £950 cap.

3.6 In-fill properties are eligible for zero/low carbon heating and district heating connections. In-fill properties will not normally be eligible for micro-generation and/or battery storage measures.

### ***Rural and Remote rural/island community uplift***

	Flats	Mid and End Terrace	Semi-detached	Detached
Rural (off-gas) areas	REDACTED	REDACTED	REDACTED	REDACTED
Remote rural & Islands	REDACTED	REDACTED	REDACTED	REDACTED
Rural (off gas) with uplift	REDACTED	REDACTED	REDACTED	REDACTED
Remote rural & islands with uplift	REDACTED	REDACTED	REDACTED	REDACTED

3.7 Research for the Scottish Government found evidence for additional minimum living costs for households in remote rural Scotland that typically add 15-30% to a household budget, compared to urban areas of the UK. We have therefore maintained the value of our uplift for remote rural and island communities to reflect costs that are 22% greater on average (see above). This uplift is additional to any already provided for households in extreme fuel poverty.

3.8 We are aware that delivery costs will also be higher for properties in rural areas, particularly that are off the gas network, due to current cost of living and energy price rises (i.e. increased materials and transportation costs). We therefore propose to offer an uplift of 11% to reflect these costs.

3.9 In exceptional circumstances councils can request approval to apply an uplift to individual households that do not fall within the very remote rural or rural classification. Difficulty in accessing services is a characteristic of fuel poor households and the administrative classification may not reflect circumstances on the ground (e.g. administrative boundaries may not reflect accessibility and journey times to individual properties).

#### **4. Household contributions**

4.1 Households may need to be asked for a contribution towards the costs of installing energy efficiency measures and other improvements. Typically a contribution should be requested where the costs of improvement exceed the maximum grant-in-kind available or to facilitate sign-up for projects (e.g. by sharing costs for everyone in a complex project). Councils have discretion to require a minimum household contribution as well as to grant an exemption or require a higher/lower contribution.

4.2 The value of a contribution should reflect any additional costs that are specific to the property and take account of the estimated asset value. Household contributions for ABS13 should not normally exceed **£950** for **fabric measures** provided to households in fuel poverty, unless otherwise agreed with the Scottish Government. Households in extreme fuel poverty should not usually be requested for a household contribution for fabric measures (as these properties already benefit from an uplift) unless a minimum contribution is applied.

4.3 Contributions towards fabric measures for in-fill properties may be set at a higher rate of up to **£2,500** (as the household is not assessed as currently being fuel poor). Councils are able to propose a higher rate of household contributions to reflect higher costs and leverage private investment. This must be agreed with your Delivery Manager. There is no cap upon household contributions for zero/low carbon heating, micro-generation or battery storage measures but some flexibility may be available to councils.

4.4 Scottish Government loans administered by Energy Saving Trust are available from Home Energy Scotland to help meet the cost of household contributions. The maximum loan value for energy efficiency measures remains up to £5000 and a further £5000 can be provided to help meet the costs of related repairs. Where an ABS project includes repairs or other non-energy efficiency improvements, councils are responsible for determining these costs and the level of household contribution required.

4.5 Where the total estimated costs of improvements would result in a household contribution of more than £950 for a household that is clearly in fuel poverty, councils should contact the ABS team to agree household contributions and the level of grant provided. Whilst the costs of improvements may be much higher for some construction types, we expect councils to develop area based proposals that have greatest potential to achieve value for money and deliverability.

#### **5. Private and social landlord properties**

5.1 Private rented properties may be eligible for fabric measures through ABS, if the landlord has three or less properties in their ownership as a natural individual (i.e. they are owned in a personal capacity, not

registered to a business). The property must be occupied and the tenant living in or at risk of fuel poverty. ABS funding should be offered only where landlord participation is necessary to enable completion of a project and/or benefits fuel poor households.

5.2 Property owners should only ever receive a full ABS grant funding for one property. Councils should always seek a contribution from the property owner towards the costs of a second or third PRS property benefitting from ABS funding. The value of the contribution should be at least £950 other than in exceptional circumstances.

5.3 Social and commercial landlords owning more than four properties are not usually eligible for support without the specific agreement of the ABS Team. Councils will be expected to demonstrate that their participation is necessary and cannot be achieved by other means (e.g. 'missing share'). It is very unlikely that requests relating to detached or semi-detached properties will be approved. In most cases social or commercial landlords will be expected to provide a minimum 50% contribution towards the costs of fabric improvements.

## **6. Enabling and Administrative costs**

6.1 As previously agreed with COSLA, up to 20% of total scheme costs can be spent on administrative and enabling costs. To enable smaller councils to deliver the planning, management and effective delivery of their ABS projects, councils can now apply a minima of £100,000 for enabling costs or 20% of grant (whichever is the higher amount).

6.2 Requests for ABS enabling funding should clearly set out how it will be used. In general enabling funding can be used to cover the costs of the following:

- Scheme marketing, promotion and publicity;
- Scheme development costs, including planning/design and householder engagement, sample physical surveys etc.;
- Transport costs (for remote and rural areas);
- Scaffolding costs;
- Scheme management and staffing costs, including applications for building warrants and quality control (clerk of works etc.);
- Engagement with private rented sector and registered social landlords;
- Replacement of lead pipework, assistance with smoke alarms etc.
- Complaints procedures.

6.3 Enabling funding will remain capitalised in 25-26 and for ABS 14 onwards (ABS 15, 16 etc.). This means that whilst the overall enabling and administration element can be 20% of the core grant and is identified separately it will be shown as capital costs on the offer of grant. As noted above, councils may propose special projects with higher enabling costs in exceptional circumstances.

### ***Contingencies***

6.4 Each authority can set aside up to £50,000 of their enabling funding to deal with contingencies and assist individuals with fuel poverty needs that may not be addressed by other funds or be ECO eligible measures. At the end of the 25/26 programme they must provide details of what this funding was used for. The cap limits per property remain the same for these interventions. Unallocated and/or unused funding for contingencies can be used as part of the local ABS programme (i.e. to provide grant-in-kind or to meet other enabling/administrative costs).

6.5 Where structural systems for External Wall Insulation or where structural repairs are required prior to application of standard External Wall Insulation are required, a 10% uplift to the funding levels below may be applied. Structural repairs may, for example, be stanchion repairs, structural repairs to lintels or

structural 'framing' to attach the external wall insulation on a non-traditional home. Evidence of why the additional uplift is being used must be kept by the council and be made available on request by the Scottish Government.

6.6 Councils can include the costs of removing lead pipework as part of contingency funding for ABS works, where this can be achieved at reasonable expense. Where electrical equipment has been installed or other improvements installed that potentially impact upon fire safety, councils can include smoke detectors and alarms as part of their enabling works (in line with the fire and smoke alarm standard).

## **7. Monitoring and Evaluation**

7.1 Councils must provide a proposal on monitoring and evaluation, funded from the enabling element of the budget. The purpose of the evaluation will be to provide information on changes in EPC rating, fuel poverty and what potential bill reductions can be achieved and where possible temperature and humidity monitoring, for the measures installed.

7.2 The ABS team will continue to work with councils in 25-26 to develop a more standardised approach to evaluation and monitoring of any installed works. Councils should also indicate what technology will be used in monitoring.

## **8. Delivery and financial reporting**

8.1 Councils will be required to provide quarterly updates on the projects being delivered within the financial year and this information should cover those projects that will be delivered. Councils will be required to return two documents at each quarterly return: a summary report (MS Word) and a measures report (MS Excel). Information in these documents should, at minimum, include:

- Project titles and areas;
- Current status of projects;
- Procurement updates;
- Risks to any projects (these must also be flagged to delivery manager separately);
- Number of measures planned;
- Number of measures completed;
- Type of measure planned/completed;
- Number of households/properties completed;
- Tenure targeted

8.2 In the last financial quarter, monthly updates on the current projects should be provided at the end of January 2026, February 2026 and March 2026. The final three updates from the council should include:

- All information supplied in 8.1
- Spend to date;
- Spend in current month;
- Forecasted spend for the year

8.3 It will be a requirement for all councils to submit an annual report on their 25-26 ABS programme. This report should cover what measures the council has installed over the year as well as how many. A key aim of the report should be to gather as much feedback from householders as possible, in particular their expectations pre installation and their thoughts post installation. Councils should also aim to touch on the previous year's report, covering the monitoring and evaluation of those households targeted. A template report will be provided to all councils as a guide. Reports submitted to the Scottish Government are likely to be published on the ABS webpage.

8.4 Timetable for reporting in 25-26

Quarter 1	By 30 July 2025
Quarter 2	By 30 October 2025
Quarter 3	By 30 January 2026
February Final Quarter Update	By 27 February 2026
March Final Quarter Update	By 27 March 2026
Quarter 4	By 30 April 2026
ABS Annual Report and Final Measures Return	By November 2026

8.5 The Scottish Government relies upon accurate and timely reporting by councils in reporting progress to Ministers and to Parliament. Where quarterly reports are not provided, failure to provide relevant information, or are consistently late, the Scottish Government will be obliged to escalate enquiries to senior managers at the council.

**9. Fair Work First**

As part of the application process for grant funding, applicants are asked to provide a statement verifying their Fair Work First commitment and confirming it has been developed in agreement with their workforce. This statement is to be signed by the relevant trade union where one is present, or a workers' representative(s) where there's no union present. A grant recipient can also share this statement on their website to demonstrate their commitment to Fair Work.