

Scottish Government Response to: Zero Emissions Social Housing Taskforce Report



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Ministerial Foreword

I am pleased to present the Scottish Government's formal response to the Zero Emissions Social Housing Taskforce (ZEST) report.

The Social Housing sector has played a leading role in improving the energy efficiency of Scotland's homes, cutting emissions and helping keep the cost of heating down. Eighty-nine per cent of homes in the social rented sector now meet the requirements of the first Energy Efficiency Standard for Social Housing (ESSH), broadly equivalent to EPC Band C or D.



However, there is more we must now do to cut emissions and transform our housing stock into zero emissions homes that are fit for the future. And we must do this while continuing to provide high quality affordable homes, protect tenants' rights and ensuring the long-term sustainability of the social housing sector.

ZEST was tasked to consider and provide practical recommendations on what is required to achieve our ambitious climate change targets in a fair and just way. I am delighted to see that they have responded by developing equally ambitious recommendations that contribute to Scotland's just transition to net zero.

We agree that we need to build on our "Fabric First" approach, by continuing to install energy efficiency measures. However, to achieve our targets, we also need to install zero emissions heating systems such as heat pumps and heat networks in far greater numbers. The current cost of living crisis makes this need even more urgent. Well installed and efficient zero emissions heating systems can offer households heating on par with volatile fossil fuels and when installed in combination with solar PV or battery storage can significantly reduce household bills.

We also recognise that we need to start building homes that do not require retrofit in the future. Housing to 2040, the Scottish Government's 20-year strategy, sets out ambitious targets for the delivery of 110,000 affordable homes by 2032. It also sets out the aim for all new homes delivered by local authorities or Registered Social Landlords to be zero emissions by 2026.

We are stepping up our investment to accelerate deployment of heat and energy efficiency measures, allocating at least £1.8 billion over the course of this parliament. This includes at least £465 million to support those least able to pay, and £200 million for the Social Housing Net Zero Heat Fund which is dedicated to supporting social landlords retrofit their existing stock.

The Scottish Government is also establishing a National Public Energy Agency with a focus on heat and energy efficiency. The Agency will coordinate delivery and build public understanding and awareness of heat and energy efficiency work, inform and educate the public on the changes required, provide expert advice to national and local government, and work with public, private and third sector partners to deliver this transformative national project.

A just transition means sharing the benefits of climate action widely while ensuring the costs are distributed fairly. This means those who have the means will share some of the costs, particularly where they may benefit from lower bills directly. We will continue to support those least able to pay, but it is clear the public sector alone cannot bear the long-term cost of converting homes and buildings to 2045. As such, we have established the Green Heat Finance Taskforce to recommend ways to increase individual, community and private-sector investment into energy efficiency and zero emissions heating.

Lastly, but by no means least, we understand the need for the sector to have clarity around the second Energy Efficiency Standard for Social Housing milestone (ESSH2). I can confirm that the review of ESSH2 will be brought forward to commence this year for completion in 2023.

The review of ESSH2, which will be taken forward in partnership with the sector, will ensure that it supports the gathering pace of decarbonisation, and supports our guiding principles of a just transition that is fair to everyone and leaves no one behind. The Scottish Government will work with the social housing sector to establish a new ESSH Review Group, including a technical steering group, to advance the review and support delivery of the ZEST recommendations.

I want to thank ZEST for their hard work and dedication in submitting this report and I am pleased that they are encouraged by the steps this Government has set out.

I also commend the progress that the sector has already made and will continue to support you in leading the changes that we all need to make to achieve a net zero Scotland.



Patrick Harvie MSP

Minister for Zero Carbon Buildings, Active Travel and Tenants' Rights

Chapter 1 Introduction

To meet our 2030 climate change target, over 1 million homes (and the equivalent of 50,000 non-domestic buildings) need to be converted to use zero emissions heating systems.

Achieving that will require us to accelerate the installation of zero emissions heating systems from recent rates of a few thousand per year, to around 200,000 per year in the latter part of this decade.

There are approximately 600,000 homes for social rent in Scotland, and social landlords have been making progress on energy efficiency and decarbonisation for many years. This is therefore a key sector for the change needed and we welcome partnership working with social landlords to meet this shared challenge for the benefit of tenants.

The scale of the challenge is significant, but so too are the opportunities: greener and more efficient homes for social tenants, as well as green jobs in a burgeoning clean heat sector, with new skills and training across Scotland.

The Heat in Buildings Strategy, which we published in October 2021, sets out a bold package of policies to tackle this issue, across investment, supply chain development, regulation and innovation.

The Scottish Government's Social Housing Net Zero Heat Fund supports projects to deploy zero emissions heat, improve energy efficiency and reduce fuel poverty. The fund will make £200 million available over the course of this parliament - investing in a sector already leading the way in the heat transition. The National Public Energy Agency, to be established by 2025, will coordinate delivery and build public understanding and awareness of heat and energy efficiency work. In advance of a dedicated Agency being in place, a virtual Agency will be established in-house from September 2022, to start the transition process.

As we review energy efficiency standards for social housing, we will work with the sector to understand the costs and the funding and financial mechanisms needed to secure a fair and just transition.

In addition to retrofitting our existing homes, we will invest to support delivery of 110,000 affordable homes over the next ten years. We will continue to support affordable housing providers who are installing zero emissions heating systems in new-build homes ahead of regulatory requirements that will be introduced from 2024.

ZEST was asked to consider and provide practical recommendations on what is required in social housing to achieve Scotland's targets. The Taskforce comprised strategic leaders and practitioners who were actively involved in

delivering zero carbon initiatives in social housing and well positioned to provide practical recommendations on what is required to achieve the Scottish Government's climate change targets.

The full ZEST report which was published in August 2021 can be read here: [Achieving net zero in social housing: Zero Emissions Social Housing Taskforce report - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/consultation-papers/collections/documents/achieving-net-zero-in-social-housing-zero-emissions-social-housing-taskforce-report-2021.pdf).

Our response is structured to mirror how the ZEST report sets out the Taskforce's recommendations and actions.

Chapters 2 to 8 detail the government's response to the 8 recommendations and 35 actions made under the following Themes:

1. Supporting a just transition
2. Structuring and design of capital investment
3. Providing social landlords with certainty
4. Understanding the existing stock
5. Shared learning and communication to support technological solutions
6. Quality control and skills
7. Understanding the wider impacts

For ease, we have numbered the recommendations and actions, and they are addressed in the same order they appear in the ZEST report.

Chapter 2 Supporting a just transition

Recommendation 1: The Scottish Government and social landlords should develop a collective commitment to a just transition in the social housing sector with clear metrics and sufficient budgetary investment to ensure this is successfully realised.

Our response: The Scottish Government supports the recommendation and call to action to achieve a just transition in the housing sector. We are committed to working with the sector to develop a fair and just plan, including new metrics, and to working jointly to identify mechanisms for funding and financing the retrofit required. The forthcoming review of EESSH2 is the starting point for designing a new plan for delivery.

Action	Scottish Government response
<p>1. Social landlords and Scottish Government should work together to set out clear metrics on how we will collectively evidence a just transition for social housing in Scotland. Metrics should align with existing targets around fuel poverty as well as linking directly with the National Performance Framework.</p>	<p>The Scottish Government welcomes the opportunity to ensure the delivery of a just transition for social housing tenants and will work with the sector to develop suitable metrics.</p> <p>The Scottish Government's Social Housing Net Zero Heat Fund will evaluate projects that receive funding to learn lessons and ensure knowledge is shared across the wider social housing sector and beyond. In addition, applications to the fund will be scrutinised to ensure, as far as is possible and appropriate, that tenants are not left in a worse position as a result of retrofit works. This is in line with the fuel poverty principles set out in the Heat in Buildings Strategy.</p>
<p>2. The Scottish Government, social landlords and partners should make a clear commitment to a just transition, ensuring policy and plans recognise and mitigate against potential negative impacts for social tenants and maximise potential opportunities such as jobs and economic opportunities for local areas.</p>	<p>The Scottish Government is committed to achieving a just transition to net zero across all sectors of the economy. As we retrofit homes in the social sector it will be imperative that we mitigate against negative impacts for tenants and maximise any opportunities that arise. We would support and welcome others, including social landlords, partner organisations and representative bodies, who wish to commit to achieving a just transition for</p>

social housing. Our approach to just transition planning sees Just Transition Plans as guiding documents for public and private sector activity, and makes it clear that there is an active role for everyone in the transition.

We are committed to publishing a refreshed Energy Strategy and Just Transition Plan (ESJTP) this year. This will allow us to further refine our approach to heat in buildings, including social homes, ensuring a coherent, whole systems view and further embedding our evolving policies on heat in buildings within our wider just transition framework.

We will also develop a Buildings and Construction Just Transition Plan, which will expand on the ESJTP and address the needs of the construction industry, which includes developers of social homes, to ensure it has the skills and financial models to deliver on its transition.

The [Heat in Buildings Strategy](#) sets out a series of guiding principles to ensure alignment with fuel poverty objectives (See Annex A) – which we recognise as a key element of a just transition and a key concern for social landlords and many tenants as we transition to zero emissions heating systems.

To better understand how the anticipated costs and impacts of the heat transition can be fairly distributed across different groups, we are establishing an independent Expert Panel to conduct a review and present recommendations by Autumn 2022. We will use these outputs to inform on-going policy and interventions design, including feeding into the work of the Green Heat Finance Taskforce.

	<p>The Heat in Buildings Strategy also commits us to co-producing with the heat and energy efficiency sector a Supply Chain Delivery Plan to help ensure that the right skills are in place, in sufficient numbers to support the rollout of energy efficiency measures and zero emissions heating systems. This plan will seek to maximise local economic opportunities, including in manufacturing, installation and maintenance.</p>
<p>3. The Scottish Government has already made a commitment to regular and ongoing engagement with the sector on the Social Housing Net Zero Heat Fund, facilitated through sector membership bodies. The Scottish Government should increase the funding available through this Fund, and work with social landlords to build partnership approaches to enable long-term, adequate funding building on core landlord investments already being made.</p>	<p>The Scottish Government has committed to extending the Social Housing Net Zero Heat Fund until 2026 and increased the value of support to £200 million to further accelerate the decarbonisation of Scotland's social housing stock.</p> <p>In response to feedback from the sector, we launched the Social Housing Net Zero Heat Development Fund, to support Registered Social Landlords and Local Authorities to develop zero emissions heating projects.</p> <p>In August 2021, we added a Fabric First funding element to the Social Housing Net Zero Heat Fund recognising the value of a "Fabric First" approach to retrofit and that although significant progress has been made, there remains significant scope for fabric improvement. In February 2022, we extended the offer of "Fabric First" funding to 30 March 2024.</p> <p>The Scottish Government continues to evaluate how this financial support will work in tandem with our other programmes, such as our Area Based Schemes to deliver a comprehensive approach to decarbonising our social housing stock. We remain committed to working with the social housing</p>

	sector and encourage the sector to take full advantage of the support packages available.
4. While recognising the Scottish Government has limited devolved powers in this area, consideration should be given to the need for a systemic change in tax rates and VAT for refurbishment works, in order that the cost of meeting zero emissions targets is linked to ability to pay, as recommended by the Just Transition Commission. The Scottish Government should continue to lobby the UK Government for changes.	Scottish Ministers have raised the issue of VAT on retrofit work with the UK Government. The Scottish Government welcomes the announcement made on 23 March 2022 by the UK Government on the reduction of VAT on the purchase and installation of energy efficiency measures, such as solar panels, heat pumps and insulation.

Chapter 3 Structuring and design of capital investment

Recommendation 2: The Scottish Government should promote a Fabric First approach as an essential first step towards decarbonisation, prioritising investment accordingly, and ensure that the promotion of a Fabric First approach is reflected appropriately in its review of EESSH2.

Our response: The Scottish Government supports the principles of a Fabric First approach to decarbonisation of social housing. We recognise the value of fabric upgrades in reducing energy demand, increasing the efficiency of zero emissions technology, and potentially making expensive fuel sources more affordable. However, energy efficiency standards, no matter how high, will not see a home fully decarbonised. In order to reach our climate changes targets, the majority of homes and buildings, including social housing, will require the replacement of fossil fuel heating systems with zero emissions solutions, such as connection to heat networks, the installation of heat pumps or the use of hydrogen where it is available in the future. The EESSH2 review will include the review of both energy efficiency measures and zero emissions heating systems.

Action	Scottish Government response
<p>5. As part of its overall aim to decarbonise housing, the Scottish Government should strengthen the commitment in its draft Heat in Buildings Strategy¹ to promote a Fabric First approach, with a particular focus on further thermal upgrades and addressing airtightness and cold bridging. This would help to reduce overall energy demand and therefore help to make the installation of some zero emissions heating systems more technically viable and cost effective for tenants and landlords. Importantly, this will make significant progress in addressing the fuel poverty agenda and reduce demand on energy networks.</p>	<p>The Scottish Government remains committed to taking a Fabric First approach as this is critical to the transition, reducing demand for energy, making homes warmer and easier to heat and preparing them for zero emissions heating systems. Social Housing providers have led the way in investing to raise the energy efficiency standard of their stock – as of 2021 89% of social rented homes met the EESSH1 milestone, equivalent to EPC Band C or D. We want all homes to achieve a good level of energy performance of at least equivalent to EPC Band C by 2033, with the Private Rented Sector achieving this by 2028.</p> <p>However, fabric alone will not get us close to our targets on net zero and</p>

¹ The ZEST report was published before the final Heat in Buildings Strategy was published in October 2021.

	<p>we need to see the accelerated rollout of zero emissions heating systems, such as heat pumps and heat networks.</p> <p>The EESSH2 review will consider both energy efficiency upgrades and the deployment of zero emissions heating systems together in order to build understanding of the impacts on outcomes for tenants. This will provide certainty to the sector to guide their retrofit and investment planning.</p>
<p>6. Building on the experiences of social landlords, the Scottish Government should continue to allocate specific funding and dedicated support for fabric improvement measures to reduce heat demand.</p>	<p>The Scottish Government continues to support the social housing sector deploy fabric improvement measures across their stock.</p> <p>In August 2021, £20 million was made available through the Social Housing Net Zero Heat Fund for zero emissions heat and energy efficiency projects. The fund also allocated an additional £10 million for social landlords seeking to carry out energy efficiency only projects in response to the sector's call for a "fabric-first" approach to decarbonisation. This funding was due to close in March 2022 but responding to sector feedback, the Scottish Government extended the offer of "Fabric First" funding through its Social Housing Net Zero Heat Fund to 30 March 2024.</p> <p>During 2022/23 we will allocate a further £30 million to the Social Housing Net Zero Heat Fund. Unlike the previous year, the fund does not have a separate ring-fenced pot for "Fabric First" projects – both energy efficiency only and zero emissions heating projects will be supported, ensuring the fund is responsive to the requirements of the sector.</p>

CASE STUDY: Heat Pump Project with the Hebridean Housing Partnership, Comhairle nan Eilean Siar

The Hebridean Housing Partnership (HHP) received funding from the Social Housing Net Zero Heat Fund to replace storage heaters and electric boilers in 200 homes with new air source heat pump systems.

Inefficient storage heating systems and electric boilers were identified as a driver for fuel poverty in the Outer Hebrides, with 48% of HHP tenants indicating they were in fuel poverty. A lack of controllability meant that they could be warmest when tenants were not at home. Control is achieved remotely via a tele-switch and not by the tenant. Storage heaters could also be expensive to run, and tenants found it hard to change supplier and were locked into costly tariffs.

As well as delivering carbon savings, the new systems are expected to reduce fuel bills by up to 40% and give tenants greater control over their heating, making their homes warmer and more comfortable.

Scottish Government funding allowed HHP to install air source heat pumps in these homes, which in addition to improving tenants' comfort levels, are delivering carbon savings and supporting their climate change and fuel poverty priorities.



Image of an air source heat pump on a HHP home in the Outer Hebrides

Recommendation 3: The Scottish Government should work with social landlords to ensure capital investment for social housing is adequate, structured and designed in line with the needs of the sector, and supports the social housing sector's aim for a Fabric First approach.

Our response: The Scottish Government will continue dialogue with the social housing sector to ensure funding programmes are in line with the sector's needs, whilst recognising the constraints on public finances and need to identify new routes to securing private investment in retrofit.

In response to sector feedback, the Scottish Government has extended its Social Housing Net Zero Heat Fund until 2026 and increased its value to £200 million over this parliamentary session. It has also extended the offer of funding for Fabric First Funding projects until March 2024.

This will help provide certainty to the social housing sector that capital support will be available over the longer-term, encouraging organisations to commit to rolling out energy efficiency and zero emissions heat projects across their housing stock.

Action	Scottish Government response
<p>7. Social landlords should work with the Scottish Government to commission a sector capacity assessment to determine the net cost increase of the transition above current investment cost profile. This would support social landlords to progress more accurate plans for the transition, offer a baseline for levels of investment required to support consistency across Scotland (while recognising regional variation), and inform ongoing grant and loan funding investment from national government and other sources in annual budgetary processes.</p>	<p>The Scottish Government agrees that it is important to determine the actual costs of retrofitting social housing.</p> <p>In February 2022 we launched the Social Housing Net Zero Heat Development Fund. This £500,000 funding programme was available to support social housing providers produce business plans, which review the organisation's existing housing stock and sets out a decarbonisation strategy. Grant support was available for development activities such as specialist advice, including the preparation of feasibility studies, detailed cost analysis and technical surveys as well as towards tenant engagement. Applications closed in May 2022 but we will continue to review the requirement for resource funding.</p>

	<p>The Development Fund was a first step in building understanding and capacity. We commit to continuing to work with the sector to develop a more thorough understanding of capacity and to plan for transition to net zero, including considering new ways to achieve economies of scale. The new National Public Energy Agency will have a key role in co-ordinating action on the ground and will work collaboratively with the sector to consider what needs to happen to bring about the transformational change required.</p>
<p>8. Following the completion of the proposed sector capacity assessment, the Scottish Government and partners should explore options for a long-term, non-competitive grant fund for social landlords which can be distributed fairly across the sector based on need. Any grant funds should incorporate realistic timescales for design and delivery, so that proper planning and alignment with social landlords' confirmed capital programmes, or other local opportunities (e.g. area based schemes and LHEES), can take place. Grant funds should ensure social landlords are able to carry out works to mixed tenure blocks in which owners may be unable to fund their share of the cost of works.</p>	<p>The Social Housing Net Zero Heat Fund continues to be demand led, with social housing providers submitting applications that are technically assessed and evaluated. This helps ensure value for money as well as enabling applications to be evaluated for impacts on fuel poverty and climate change.</p> <p>We have acted upon feedback from the sector and extended the Social Housing Net Zero Heat Fund until at least 2025-26, to provide the sector suitable security for planning. The fund is a non-competitive, rolling fund, with no deadlines for submission. Applications are assessed quarterly, on a first-come-first-served basis.</p> <p>We will continue to work with the sector on the design of new funding and financing arrangements, which will be a key function of the new National Public Energy Agency.</p> <p>We recognise that mixed tenure blocks can present a barrier to installing energy efficiency and zero emissions heating measures, unless</p>

	<p>property owners act together. We will work with the sector to understand the scale of this problem and take steps to address this, where possible, through our funding programmes in order to ensure that they can help coordinate and support a whole-building or area-based retrofit.</p>
<p>9. The Scottish and UK Governments should consider new low-cost funding sources, e.g. European Investment Bank style funding for specific societal benefit projects (i.e. very low cost).</p>	<p>The Scottish Government agrees that financing of retrofit cannot be delivered by the public sector alone. We are currently exploring other funding mechanisms such as low interest loans, however we need to ensure that this type of funding adheres to subsidy controls both now and in the future. The Green Heat Finance Taskforce is working to explore and identify innovative financing mechanisms to maximise investments. We will also undertake a review of the District Heating Loan Fund, which social landlords can access to cover up to 30% of costs of retrofit projects to ensure that it fully supports our net zero ambitions.</p>
<p>10. A coalition formed across the social housing sector and local and national government should advance discussions with private sector funders and their regulators on core principles of lending to the social housing sector to identify where changes could be made to improve the cost efficiency of the funding while ensuring an appropriate risk profile and rate of return for the lenders.</p>	<p>Although the Scottish Government agrees that private sector investment is required in order to decarbonise our homes, we believe that the most appropriate route to identify and develop opportunities for future financing is part of the work of the Green Heat Finance Taskforce. Part of its remit is to act as a catalyst for long term relationships and partnering across the public sector, the heat sector industry, wider supply chain, building owners and investor/financial institutions. Engagement with the social housing sector will take place as part of this work. We will establish a dedicated social housing sub-group to look at and consider the best routes to</p>

financing and funding the retrofit of the existing social housing stock.

Chapter 4 Providing social landlords with certainty

Recommendation 4: Social landlords and the Scottish Government must work together to plan ahead with certainty, including working with new partners to access and maximise funding opportunities.

Our response: The Scottish Government agrees with this assertion, we are committed to working with social landlords to plan ahead with certainty, including working with new funding and financing partners to maximise opportunities. This includes reviewing our current funding programmes and leveraging private investment through the work of the Green Heat Finance Taskforce.

Action	Scottish Government response
<p>11. In the live development and review of a range of interconnected policies, the Scottish Government should aim to provide clarity on the connections and tensions between different strategies and targets relating to net zero, primarily the Heat in Buildings Strategy, Fuel Poverty Strategy, rent affordability and EESSH2.</p>	<p>The Scottish Government is committed to achieving a just transition to net zero, as such it is imperative that there is coherence across a number of areas notably the Heat in Buildings Strategy, Fuel Poverty Strategy and rent affordability. Routes to achieving all outcomes in a balanced and sustainable way must be found.</p> <p>The Heat in Buildings Strategy includes a set of principles to ensure progress on heat decarbonisation is aligned with the need to eliminate fuel poverty as far as is reasonably possible and in line with statutory targets. These principles will guide us in our delivery programmes, such that we only take forward actions where they are found to have no detrimental impact on fuel poverty rates, unless additional mitigating measures can also be put in place. Our fuel poverty strategy sets out the actions we will take to address the other drivers of fuel poverty, which complement the actions we are taking to retrofit homes across Scotland.</p> <p>We commit to continuing to work with the social housing sector and across the Scottish Government, initially through the review of EESSH2, to ensure there is coherence across objectives in</p>

	<p>order to deliver on our statutory targets to eradicate fuel poverty and achieve net zero.</p>
<p>12. The proposed review of EESSH2 should be brought forward to commence immediately with a final decision on the revised approach and implementation no later than 2023. This should include a period of reflection and further research while also allowing the outcomes of the recently published consultation on EPC assessments to be considered.</p>	<p>The Scottish Government will bring forward and accelerate the review of EESSH2. This will commence in summer 2022 for completion in 2023. The review will need to take into account the outcome of the EPC assessment review as well as the development of the wider regulatory framework for heat in buildings, including requirements for owner occupied and private rented sectors. We are committed to undertaking this review jointly with the social housing sector.</p>
<p>13. In order that time is not wasted planning for the requirements as they currently stand, if it is now likely the goalposts will shift, the Scottish Government and Scottish Housing Regulator should issue interim guidance on what measures should be prioritised during the review period.</p>	<p>We recognise that the EESSH2 review, which will align standards in the social housing sector with net zero will require a change in approach to respond to the significantly increased national ambitions on Zero Carbon buildings. For example, a revised standard will also need to incorporate zero emissions heating systems as well as fabric improvement measures. In recognition of this the Scottish Government has put on hold temporarily both the 2025 and 2032 EESSH milestones, pending the outcome of the EESSH2 Review.</p> <p>In the meantime we call on social housing providers to continue to invest in retrofitting their stock including:</p> <ul style="list-style-type: none"> • Continuing to improve standards across the board so that an increasing number of properties achieves the 2020 EESSH Milestone equivalent to EPC Band C or D in the short term, with a view to ultimately achieving EPC Band C where possible; • Deploying zero emissions heating systems where technically feasible and where they would not have an

	<p>adverse impact on tenant energy bills or fuel poverty, giving particularly prioritisation to heat networks where they are the optimal solution.</p> <p>We will continue to support the sector's investment in energy efficiency and zero emissions retrofit through the Social Housing Net Zero Heat Fund, which is allocating £30 million in 2022-23 for heat and energy efficiency projects. Social landlords wishing to develop heat networks are also eligible for capital funding via Scotland's Heat Networks Fund.</p>
<p>14. A new Housing Net Zero Technical Steering Group, with representatives from the social housing sector, should be established to provide guidance and clarity on technical solutions and to continually review progress and refresh existing strategies as new energy and zero emissions heating systems are evaluated and developed.</p>	<p>The Scottish Government will work with the social housing sector to establish a new technical steering group. In the first instance this group should support and feed into the EESSH2 review. Longer term this group could have a role in disseminating and sharing best practice across the sector.</p>
<p>15. The Scottish Government should engage with the UK Government to determine the availability, timing and risk of alternative energy sources (e.g. low carbon or green hydrogen) and the future role of the gas network to enable the social housing sector to prepare short, medium and long-term investment plans.</p>	<p>The Scottish Government agrees with this action, and it is part of our ongoing strategic engagement with the UK Government on our Heat in Buildings Strategy. We will seek clarity from the UK Government at the earliest possible juncture and continue to impress the importance of clarity on this issue.</p> <p>Indications so far suggest there will not be clarity on hydrogen until at least 2026 which is when the UK Government plans to make its final decision on the use of hydrogen for heat.</p> <p>In order to make progress on our climate changes targets in the meantime, we would encourage social landlords to plan for the decarbonisation of their housing stock</p>

	<p>now in the context that there is no guarantee that hydrogen will be both available and cheaper than electrification routes.</p>
<p>16. The Scottish Government's proposed analysis in the draft Heat in Buildings Strategy on the strategic areas most and least likely to have access to low carbon or green hydrogen in the future should be progressed as a matter of priority. This should also incorporate cost appraisals in order to consider the overall affordability of, and appetite for, hydrogen and whether this is a viable option for social landlords and their tenants.</p>	<p>The analysis to identify areas with high potential for hydrogen for heat in Scotland has recently completed and will be used to guide our approach going forward. A summary of the outputs will be published in the coming months.</p> <p>The Scottish Government is unable to undertake a cost appraisal of likely running costs as they are dependent on future energy prices, market structures and business models – decisions on these are reserved to the UK Government. For the average home, blue hydrogen (and probably also green) might be less affordable than other forms of zero emissions heating such as heat networks or electric heat pumps due to the relative efficiencies of systems.</p>
<p>17. A central repository of funding opportunities, in one strategic package, for social landlords should be created, bringing together opportunities from government and other strategic bodies, and social landlords, local authorities and national governments should continue to work together to ensure funding opportunities are maximised to match the scale of the challenge.</p>	<p>The Scottish Government agrees with this in principle and that funding opportunities are easy to identify, navigate and access.</p> <p>The National Public Energy Agency will have a role in streamlining the process, and how it will do that will be considered as part of the development work to establish the new Agency. We are committed to ensuring the Agency is designed to be people-centred, with a clear focus on embedding the principles of a Just Transition in all that it does. In that respect, we want to ensure a collaborative and transparent approach across the heat decarbonisation landscape in the development of the new dedicated Agency. Given its role as a key stakeholder, we very much welcome</p>

involvement of the social housing sector from the outset.

Chapter 5 Understanding the existing stock

Recommendation 5: Social landlords and the Scottish Government should commit to working together in partnership to understand the current condition and investment needs of the existing social housing stock and develop appropriate collaborative solutions.

Our response: The Scottish Government agrees that work should be undertaken to understand the current condition and investment requirements of the existing social housing stock in order to identify the appropriate zero emissions heating solutions. We launched the Social Housing Net Zero Heat Development Fund to support social landlords to review their current housing stock and develop appropriate decarbonisation strategies and business plans. Applications to this fund are now closed but we will continue to review the requirement for resource funding.

Action	Scottish Government response
<p>18. Social landlords should undertake an in-depth and updated stock condition survey to assist in mapping the existing stock, including details of new builds, adaptations and previous retrofit measures. A standardised approach should be adopted to feed into the proposed Housing Stock Condition Group which will assist in tracking and working with the future mass rollout of key retrofit archetype solutions.</p>	<p>The Scottish Government agrees with this in principle. The recently launched development fund will allow social landlords the opportunity to carry out a condition survey of existing stock and develop plans to meet zero emissions targets. Applications to this fund are now closed but we will continue to review the requirement for resource funding.</p> <p>We are committed to continuing to work with the sector to understand stock condition and to identify efficient and effective routes to gathering this information.</p> <p>We will take forward opportunities to work in collaboration with the social housing sector to establish a standardised approach which will assist in the acceleration of retrofit across the social housing stock. This will seek to build on work that is already underway in a number of housing associations in Scotland to develop standardised approaches to retrofit. This will be taken forward as a core part of the EESSH2 review.</p>

	<p>Additionally, Local Heat and Energy Efficiency Strategies (LHEES) will provide a baseline of all buildings across each local authority area in terms of their energy efficiency performance and heat supply and map out pathways to decarbonisation. As part of this, it is anticipated that local authorities will reach out to social landlords as part of their engagement plans.</p>
<p>19. The proposed Housing Net Zero Technical Steering Group, supported by Scottish Government, should compile existing data through the Archetype, Fabric and Energy Systems Group (AFESG), including existing evaluations and case studies of previous retrofit programmes, in a central online repository, to provide shared learning outcomes for social landlords and other tenures. Development of key archetype solutions, based on specific new pilot data gathering projects should be undertaken for Scotland's six largest housing archetypes, representing 80% of the stock.</p>	<p>The Scottish Government agrees with the need to develop an understanding of the needs and solutions of the different archetypes in Scotland's social housing stock and we will work with the sector in developing this.</p> <p>We will also publish and share case studies which will include the solutions and learning outcomes from the projects that have been funded by the Social Housing Net Zero Heat Fund.</p> <p>It is envisaged that this would be for National Public Energy Agency to lead as part of its "Centre of Expertise" role.</p>
<p>20. Where complex solutions or innovation grand challenge solutions are required for particular property archetypes, the Construction Scotland Innovation Centre (CS-IC)² should lead research and early pilots for heating prototypes, including research into lesser-known technologies which may offer effective and efficient heating replacements for more challenging archetypes.</p>	<p>Based on evidence from the Climate Change Committee, and extensive consultation for the development of our Heat in Buildings Strategy, we have prioritised heat pumps, heat network infrastructure and fabric energy efficiency as the strategically important technologies to deliver early progress in the heat in buildings transition. We believe that these are currently the best available technologies to deliver the transformational change that is required. It is essential that we prioritise deployment of these technologies</p>

² Now known as Built Environment – Smarter Transformation (BE-ST)

	<p>through our funding programmes in low-regret circumstances.</p> <p>However, we appreciate that there is some scope for innovation within these technologies to support performance improvement, cost reduction and building integration, and we will focus our innovation efforts in this direction. We will continue to keep lesser-known technology solutions under review, however, in order to protect consumers and ensure value for money, we continue to set a high bar for the technologies included within our funding programmes.</p> <p>Our Heat in Buildings Supply Chains Delivery Plan, to be published later this year, will set out our approach to innovation within the heat in buildings programme and we will continue to work in collaboration with the social housing sector on this.</p>
<p>21. The Housing Net Zero Technical Steering Group should work with the Scottish Futures Trust to explore options for regional delivery vehicles/energy service companies (ESCOs) to support energy efficiency and decarbonisation works in the social housing sector. This should include an investigation into whether not-for-profit entities could manage works on behalf of a local authority and RSL, or a group of local authorities and RSLs.</p>	<p>The Scottish Government believes that this work should be undertaken by the Green Heat Finance Taskforce, which is working to develop a portfolio of financial solutions to ensure that by 2045, our homes and buildings no longer contribute to climate change, as part of the wider just transition to net zero.</p> <p>Engagement with the social housing sector will take place as part of this work. As noted above, we are committed to establishing a social housing sub-group to look specifically at the funding and financing challenges specifically facing social housing.</p>

Chapter 6 Shared learning and communication to support technological solutions

Recommendation 6: Social landlords and both local and national government should work in partnership to ensure individuals and communities are fully engaged and supported in the net zero transition.

Our response: As set out in the Heat in Buildings Strategy, work is now underway to develop a new Heat in Buildings Public Engagement Strategy, to be published in early 2023. This strategy will build on the principles set out in our approach to public engagement on climate change published last year.

The Public Engagement Strategy (PES) will:

- Increase understanding of the changes we need to see in how we heat our homes and buildings, and why;
- Raise the profile of energy efficiency and net zero carbon heating options so that people are aware of the benefits and begin to see them as a positive choice ; and
- Raise awareness of the support and advisory services available to maximise uptake of the support available.

The strategy will set out a framework for public engagement, including public participation in policy and support programme design, ensuring the needs of different groups are considered. This reflects our commitment to supporting a just and fair transition.

We will work collaboratively with local authorities, social landlords and tenants groups – as well as wider stakeholders – to ensure the upcoming Public Engagement Strategy supports local level activities, and builds on good practice approaches, learning and insights. As part of this, we will explore how best we can help these important local partners to continue to act as key trusted messengers to discuss the heat transition with their respective target audiences as the pace and scale of transformation increases. We urge and encourage social landlords to continue to engage closely with their tenants to help communicate the changes needed and to support households in adjusting to their retrofitted homes so that they can reap the benefits of improved energy efficiency and zero emissions heating systems.

Action	Scottish Government response
22. The Scottish Government should publish its delayed Fuel Poverty Strategy by the end of 2021, as it has committed to do, and ensure it includes a coherent programme	The Scottish Government's Fuel Poverty Strategy was published on 23 December 2021. It identifies a comprehensive range of actions to address all four drivers of fuel poverty

<p>tailored to the needs of individual households that addresses the four drivers of fuel poverty, reflecting the rapidly evolving context of decarbonisation of heating.</p>	<p>and address fuel poverty for those at highest risk. These actions have been informed by evidence, including lived experience, and learning from the changing context as we respond to the COVID-19 pandemic and the climate emergency.</p>
<p>23. The Scottish Government should publish as a priority its final 'Net Zero Nation' public engagement strategy, to which social landlords should respond with local tenant engagement plans, sharing experiences with the Scottish Government to facilitate ongoing learning.</p>	<p>The Strategy was published in September 2021 and we welcome the sector's commitment to engage with their tenants to make the strategy successful. It sets out our overarching framework for engaging the public and communities on climate change. We encourage the sector to engage with their tenants using the approach set out, to ensure meaningful engagement and two-way dialogue. We will publish a Heat in Buildings Public Engagement Strategy in 2023 and will work with social landlords to ensure its implementation and support engagement with tenants.</p>
<p>24. As part of its public engagement strategy, the Scottish Government should develop tailored communication materials to support the rollout of unfamiliar technologies alongside a national winter education campaign to promote home energy efficiency, including heating and ventilation practices. This should include clear routes to ongoing advice and support to minimise any potential negative impacts (e.g. disruption, increased fuel bills or rent, or operational issues).</p>	<p>We agree that there is a need for enhanced communication to support delivery and increase understanding and awareness. The Scottish Government will take forward national awareness campaigns as part of our wider framework to support engagement activities from national to local levels, to be developed in the upcoming Heat in Buildings Public Engagement Strategy.</p> <p>This will set out action to increase understanding of the changes we need to see in how we heat our homes and buildings, and why; raise the profile of energy efficiency and net zero carbon heating options so that people are aware of the benefits and begin to see them as a positive choice. It will also set out actions to raise awareness of the support and advisory services available to maximise uptake of the support available.</p>

	<p>Home Energy Scotland, is funded by the Scottish Government, to provide free, impartial advice on energy savings.</p> <p>The Scottish Government is only one of the messengers in this space. Social landlords and local authorities have an important role themselves in communicating the changes that are required and we will work with the social housing sector to ensure effective tenant engagement.</p>
<p>25. National and local government should work together to ensure early and meaningful engagement with social landlords and their tenants as part of the development of LHEES and community climate action initiatives, in order that social tenants are included in and consulted on decisions on heat decarbonisation in their community. The development of LHEES should take cognisance of social landlord investment plans and include them as a consultee in the development of LHEES Delivery Plans.</p>	<p>The Scottish Government is working with local authorities to prepare and publish LHEES. These LHEES will set out the long-term plan for decarbonising heat in buildings and improving energy efficiency across an entire local authority area. The Strategies will form a basis for local public engagement, awareness raising and involvement in decision making at the local level, and will facilitate extensive engagement with local communities. We recognise that this needs to be flexible, to allow engagement to be adapted and tailored to the local context. We would anticipate that a range of officers across the local authority would be involved in preparing the LHEES, including housing and as part of this process would engage social landlords and tenants where they deem appropriate.</p>
<p>26. The Scottish Government should increase investment in local advice services, including those provided by social landlords, in addition to that in government-funded services such as Home Energy Scotland.</p>	<p>The Scottish Government agrees that advice services are crucial in a just transition to net zero. The Scottish Government is allocating over £2.9 million in additional support in 2022-23 for the Home Energy Scotland Advice and Support Service to allow its capacity to increase by 20% in response to the cost of living crisis.</p>
<p>27. Emergency redress funds should be made available to social</p>	<p>The Scottish Government is committed to a just transition and this includes the</p>

landlords and their tenants, providing an additional safety net which protects those on low incomes from being negatively impacted by the rollout of new technologies.

consideration of tenants in or at risk of fuel poverty. We are also acutely aware of the current cost of living crisis and the concerns that both social landlords and tenants have regarding the potential hidden costs of the adoption of zero emissions solutions.

The deployment of appropriate zero emissions technology and fabric upgrades should have a positive impact on tenants' fuel bills through making homes more efficient and easier to heat.

For those who continue to be at risk, we have made £10 million available to Third Sector Organisations to support those facing fuel insecurity through our Fuel Insecurity Fund. Working in partnership with the Scottish Federation of Housing Associations, we are also making funding available to Registered Social Landlords, to ensure support is offered to social housing tenants across Scotland.

Through all of the projects supported by the Fuel Insecurity Fund, we will seek to ensure that those receiving help are not just provided with financial support but that they are also connected with wider advice and support on energy efficiency, income maximisation and how to reduce energy bills.

The Scottish Government continues to engage the UK Government to ensure that energy consumers are supported and are using our devolved powers where these can help support households challenged by the cost of living situation we currently face.

28. The Scottish Government should progress planned work to achieve a cross tenure quality standard that will underpin the transition to

The Housing to 2040 Route Map commits the Scottish Government to consult on a new housing standard for Scotland. This vision is a shift away from

decarbonised housing, per its commitment in Housing to 2040.

the existing Tolerable Standard towards the underlying principle that adequate housing is a human right. Our aim is that the new standard will cover all homes new or existing, including agricultural properties, mobile homes and tied accommodation. We aim to ensure that there will be no margins of tolerance, no exemptions and no “acceptable levels” of sub-standard homes in urban, rural or island communities, deprived communities or in tenements. This will mean our existing homes will keep pace with new homes, with no one left behind. This standard is being developed in tandem with work to develop heat and energy efficiency standards to ensure alignment and coherence.

Chapter 7 Quality control and skills

Recommendation 7: All partners must work together to ensure there is sufficient workforce capacity in Scotland to deliver high-quality retrofit works in the social housing sector.

Our response: We have commenced a Heat in Buildings Workforce Assessment, working in collaboration with ClimateXChange, Skills Development Scotland and Scottish Renewables. This project will review current labour force trends across the heat and energy efficiency supply chains, and, focusing on the downstream supply chain, identify potential labour force gaps and present options for addressing those, considering entry pathways into the sector and timescales required for workforce development. The assessment will consider a wide range of skillsets, including in-building assessment, design, and advisory services; insulation installation; heat pump installation and maintenance; heat network design, construction and installation; and product and equipment manufacture.

Action	Scottish Government response
<p>29. As part of the proposed Housing Net Zero Technical Steering Group, work should be taken forward to conduct an ongoing audit of skills and qualification processes based on the identified measures for property archetypes and as new technological solutions develop. This should be in conjunction with Skills Development Scotland and the No One Left Behind delivery plan for employability, and include representatives from rural, remote and island communities as well as feed into the Scottish Government's proposed supply chain action plan.</p>	<p>We have agreed with the British Standards Institution (BSI) to establish an expert technical group to advise on retrofit standards in Scotland and to develop best practice that reflects the nature of our housing stock, weather and other environmental factors. We will work with the social housing sector to ensure its views are represented and taken into account.</p> <p>We remain committed to long-term collaboration with partners interested in improving energy efficiency and microgeneration skills. This must take into account not only installer skills, but also skills for other roles, such as the Retrofit Coordinator role. As a result, we will be seeking feedback from key stakeholders including industry and skills agencies such as Skills Development Scotland on the best mechanism for further developing these skills. We will ensure that skills and qualification</p>

	requirements are considered as part of the EESSH2 review.
<p>30. Social landlords should incorporate supply chain considerations in their forward planning to support the transition and ensure demand for new skills and workforce is well understood to inform Scottish Government action on workforce investment.</p>	<p>We welcome the commitment from the social housing sector to incorporate supply chain considerations in their forward planning. We believe that the social housing sector can use its purchasing power to play a positive role to help develop the supply chain in a way that supports both the sector itself, as well as the broader consumer base across Scotland. Ensuring visibility of pipeline and developing a clear understanding of supply chain needs will be central to achieving this.</p>
<p>31. Increased support for Scottish colleges should be progressed as a priority, and targeted grant funding provided for training and upskilling in line with proposed accreditation requirements (e.g. PAS 2035). This should include a specific funding stream to support small and rural contractors and their staff alongside funding for online retrofit co-ordinator training for those with appropriate construction expertise. This should be considered in conjunction with the Scottish Government's work on upskilling EPC assessors.</p>	<p>The Scottish Government, through Skills Development Scotland, the Scottish Funding Council and the Energy Saving Trust already provide funding and support for training and upskilling to support the heat in buildings transition. This includes over £1.3 million of support since 2020 for relevant training opportunities through the National Transition Training Fund in addition to support to employers through the Flexible Workforce Development Fund.</p> <p>To date we have provided £164,700 capital investment in colleges in the north of Scotland (with further investment in the south of Scotland supported by Scottish Power Green Economy Fund) for heat pump and insulation training equipment. Three colleges in Scotland currently offer training for thermal insulation with a further two training facilities due to open August 2022. There are ten colleges who are equipped to offer heat pump training, with a further four coming online later this year.</p> <p>However, we recognise that there is a need for continuous investment in</p>

	<p>skills development across the heat and energy efficiency sectors, including a need for more targeted support, especially in remote and rural areas.</p> <p>Our Heat in Buildings Supply Chain Delivery Plan will set out further details later this year.</p>
<p>32. The Scottish Government should ensure the development of a flexible approach to the introduction of PAS 2035 in Scotland, allowing temporary exemptions or extensions in areas with limited access to accredited installers, and providing additional support packages to remote, rural and island communities (e.g. interim provision of gap funding where ECO funding cannot be accessed). The Scottish Government should also allow accredited retrofit co-ordinators to sign-off works to ensure locally-based smaller contractors in rural, remote and island communities can continue to participate in retrofit programmes.</p>	<p>The PAS 2035 standard and the BSI are sponsored by the UK Government. The regulation of product standards and business associations is a reserved matter for the UK Government. We have proposed adopting a more flexible approach in Scotland that reflects the challenges that face remote rural and island communities.</p> <p>We recognise that some householders, particularly those in rural areas, will find it more difficult to find an improved installer to carry out work. We are developing options to support households who are unable to find a TrustMark or MCS accredited installer for our new schemes, while also working to develop Scotland's energy efficiency and zero emissions supply chain through our Supply Chain Delivery Plan.</p> <p>We will also work with TrustMark to develop alternate routes to approval which can reduce cost or administrative burdens for those suppliers who wish to carry out retrofit work but are not yet ready to undertake full PAS 2035/PAS 2030 accreditation. This should help improve the overall pool of suppliers available to consumers.</p>

CASE STUDY: ASHP Heat Network Project with ng homes, Glasgow

Glasgow based housing association, ng homes received funding from the Scottish Government's Social Housing Net Zero Heat Fund and District Heating Loan Fund to create a district heating network on their Carron Housing Estate.

Communal Air Source Heat Pumps have been connected as an underground heat network which serves seven tower blocks of 314 flats. This system replaced a mixture of inefficient and expensive storage heaters, which tenants found expensive to run. The system also benefits from solar panels installed on three of the tower blocks, which provide power to the heat pumps.

Not only will the project deliver carbon savings, tenants are also expected to see a reduction in their energy bills of up to 40%.

This is partly achieved via a smart platform which combines energy usage with long range weather forecasting information from the MET office. In addition, the tenants will form a sub-committee which will be responsible for management decisions in relation to the operation and maintenance of the heat network, in particular they will be responsible for setting the tariff rates charged to tenants for heat.



Communal Air Source Heat Pumps in Glasgow

Chapter 8 Understanding the wider impacts

Recommendation 8: Social housing providers should continue to evaluate their wider impacts and ongoing contribution to tackling the climate emergency, through systematic monitoring and measurement.

Our response: The Scottish Government would welcome the sector adopting a strategic approach to the climate emergency and encourage them to share information and learning with other housing associations and housing providers.

Action	Scottish Government response
<p>33. Social landlords, with the support of sector representative bodies, may wish to develop broader sustainability or ESG strategies to assess the impact of their organisation as a whole and ongoing action required to tackle the climate emergency.</p>	<p>The Scottish Government would welcome social landlords in developing a strategic and whole organisation approach to their response to the climate emergency.</p>
<p>34. A monitoring and evaluation framework should be developed for future energy efficiency and heat decarbonisation programmes to ensure consistent methodologies and comparable data. This should have an outcomes-based approach based on actual performance data and feedback from the occupiers. Evaluation should recognise the impact of the rebound effect (e.g. where potential energy savings are absorbed through comfort increases) and the other positive outcomes for tenants (e.g. improved health and wellbeing, increased satisfaction) as well as unintended negative outcomes. Tenants should be part of the design process in terms of evaluation. This activity should be funded by the Scottish Government, and reviewed on an ongoing basis by the Housing Net Zero Technical Steering Group</p>	<p>The Scottish Government is in agreement that there should be a consistent measuring and evaluation of energy and efficiency and heat decarbonisation to ensure consistent methodologies and comparable data. The proposed ESSH2 review will set out to clarify consistent measures and standards for heat decarbonisation and energy efficiency programmes.</p>

35. In line with recommendations by the Infrastructure Commission for Scotland and Scotland's Climate Assembly, the Scottish Government should explore a whole life cycle approach to assessing costs and environmental impacts, which includes not only direct (Scope 1) greenhouse gas emissions but also indirect (Scope 2 and 3) emissions'. This should build on Zero Waste Scotland's previous research (Embodied carbon: status quo and suggested roadmap) and involve input from the proposed Housing Net Zero Technical Steering Group as new technologies and retrofit solutions emerge.

Scotland's Climate Assembly recommended that we take into account the whole life carbon costs and environmental impact of new and existing homes. In our response to the recommendations of the Assembly, we noted that, whilst the issue of whole life carbon costs is not currently addressed by building regulations in Scotland or, indeed, anywhere in the UK, we recognise the benefit of any action which raises awareness of the broader environmental impact of development and influences development decisions. We have committed to investigate opportunities for whole life emissions reporting, through building regulations or by other means, and propose to provide an update on this before the end of 2022.

Chapter 9 Next steps

This response describes the actions that the Scottish Government has taken, and will take, as a result of the comprehensive recommendations made by ZEST.

We hope that ZEST and the social housing sector in general are encouraged by the actions we have already taken and the commitment to work closely with the sector to deliver, where possible, on the other proposed recommendations and actions.

To facilitate this, we commit to establishing shared governance – between the social housing sector, its representatives, and the Scottish Government – to drive delivery of the ZEST report recommendations.

In the immediate future, we recognise the need to accelerate the review of EESSH2 to ensure alignment with net zero in order to create long-term clarity for the sector.

This will be brought forward to commence this year for completion in 2023. The review of EESSH2 will be taken forward jointly with the sector and will ensure that it supports the gathering pace of decarbonisation, and our guiding principles of a just transition that is fair to everyone and leaves no one behind. The Scottish Government will work with the social housing sector to establish a new EESSH Review Group including a technical steering group to advance the review and support delivery of the ZEST recommendations.

We look forward to collaborating with the sector on this and all commitments in our response.

Annex A – Guiding principles to ensure alignment with fuel poverty objectives

1. We are committed to ensuring that poor energy efficiency is removed as a driver of fuel poverty. As such, improving the fabric of buildings will be central to how we decarbonise heat.
2. We recognise that heat decarbonisation is essential to address the climate emergency, and that in decarbonising our homes we must not make fuel poverty worse. We commit to delivering measures to help those in fuel poverty to manage their running costs. As such, it is essential that, whenever possible, measures that both promote decarbonisation and lower fuel costs are supported.
3. We will assess our heat in buildings capital delivery programmes for their impact on those households experiencing fuel poverty – both at installation and throughout their lifespan. This assessment should be proportionate to the expected impacts.
4. Where an intervention can lower running costs, fuel poor consumers should be targeted for support as soon as possible, including support for the up-front installation costs of these measures. Factors affecting the ability of consumers experiencing fuel poverty to take up these measures should be considered as part of this process, as should the provision of advice and support to ensure that households in fuel poverty derive the maximum benefit from new measures.
5. We will develop mitigation measures to be deployed across our capital funding programmes where there are demonstrable cost increases on those in or at risk of fuel poverty. Success of these measures should be regularly assessed and, if appropriate, these measures should be adjusted to better meet the needs of these households.
6. In cases when zero emissions heat interventions are assessed as likely to increase energy costs even after mitigation measures are put in place, government supported measures should be focused on consumers who are not at risk of fuel poverty.
7. In some cases, wider change will be needed for decarbonisation measures to become suitable for those in fuel poverty, including areas that are reserved to the UK Government. We will continue to urge the UK Government to take necessary action in reserved areas and will use the research and practical experience gained through our decarbonisation schemes to support us in building appropriate evidence and pushing for systemic improvements.

8. Communications should be presented in formats accessible to a wide range of consumers, taking into account differing circumstances and accessibility needs.



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