# Draft Buildings (Heating and Energy Performance) and Heat Networks (Scotland) Bill

[18 NOVEMBER 2025]

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**PART 4**

FINAL PROVISIONS

# Draft Buildings (Heating and Energy Performance) and Heat Networks (Scotland) Bill

[18 NOVEMBER 2025]

An Act of the Scottish Parliament to set a target for the decarbonisation of heating systems in buildings in Scotland by the end of 2045; to provide for a minimum energy performance standard to be set in relation to buildings in which direct emission heating systems are used and for the assessment and improvement of the energy performance of those buildings; to provide for the further regulation of heat network zones, and for a new licensing regime for granting certain rights and powers over land in connection with the installation and maintenance of heat networks; and for connected purposes.

## PART 1

### DECARBONISATION OF HEATING SYSTEMS

*Target and strategy for decarbonisation of heating systems*

**1 The heat decarbonisation target**

(1) This section sets a target (referred to in this Part as the "heat decarbonisation target") for the decarbonisation of heating systems in buildings.

(2) The heat decarbonisation target is that by the end of the year 2045, as far as reasonably practicable, no direct emission heating system is used in any building in Scotland.

(3) The Scottish Ministers may by regulations—

(a) modify the target year set out in subsection (2),

(b) specify buildings or types of building to which the heat decarbonisation target does not apply,

(c) make further provision about the application of the heat decarbonisation target.

**2 Preparation and publication of a heat decarbonisation strategy**

(1) The Scottish Ministers must prepare a strategy (referred to in this Part as the "heat decarbonisation strategy").

(2) The heat decarbonisation strategy must set out—

(a) the approach the Scottish Ministers intend to take, or consider should be taken, to ensure that the heat decarbonisation target is met,

(b) the organisations, or types of organisation, with which the Scottish Ministers intend to work to ensure that the heat decarbonisation target is met,

(c) how the Scottish Ministers intend to—

(i) monitor progress towards meeting the heat decarbonisation target, and

(ii) assess whether the heat decarbonisation target is met.

(3) The heat decarbonisation strategy may—

(a) include any other information that the Scottish Ministers consider appropriate, and

(b) be in any form they consider appropriate and, in particular, may be part of another document.

(4) In preparing the heat decarbonisation strategy, the Scottish Ministers may, when considering the extent to which it is reasonably practicable that no direct emission heating system is used in any building, take account, in relation to specific buildings or types of building, of the following factors—

(a) the availability or likely availability of—

(i) an alternative heating system, and

(ii) persons qualified to install an alternative heating system,

(b) the suitability for use of an alternative heating system,

(c) the practicalities and cost of installing an alternative heating system,

(d) the practicalities and cost of maintaining an alternative heating system,

(e) the likely durability of an alternative heating system,

(f) whether any alterations require to be made to the building in order for an alternative heating system to be installed and operate effectively, and

(g) whether any such alterations require (by virtue of any enactment or rule of law) the consent of a third party.

(5) In preparing the heat decarbonisation strategy, the Scottish Ministers must consult—

(a) each local authority, and

(b) any other person they consider appropriate.

(6) For the purposes of subsection (5), it is immaterial that anything done by way of consultation was done before this section comes into force.

(7) As soon as reasonably practicable after preparing the heat decarbonisation strategy, the Scottish Ministers must—

(a) publish the strategy in whatever way they consider appropriate, and

(b) lay a copy of it before the Scottish Parliament.

**3 Review of the heat decarbonisation strategy**

(1) The Scottish Ministers—

(a) must keep the heat decarbonisation strategy under review, and

(b) may revise it as they consider appropriate.

(2) Before the end of each review period, the Scottish Ministers must either—

(a) revise the heat decarbonisation strategy, or

(b) if they do not intend to revise it, publish a statement of the reasons for that.

(3) But subsection (2) does not apply to a review period that ends on or after 31 December 2045.

(4) For the purposes of this section, the review periods are—

(a) the period of 5 years beginning with the day on which the first version of the heat decarbonisation strategy is published, and

(b) each subsequent period of 5 years.

(5) Section 2(2) to (5) and (7) and subsections (1) and (2) apply to a revised version of the heat decarbonisation strategy as they apply to the first version of the heat decarbonisation strategy.

*Reporting on decarbonisation of heating systems*

**4 Preparation and publication of periodic reports**

(1) The Scottish Ministers must, for each reporting period, prepare a report setting out—

(a) the steps that have been taken during the reporting period for the purpose of meeting the heat decarbonisation target,

(b) the progress made during the reporting period towards meeting the heat decarbonisation target, and

(c) the steps that the Scottish Ministers propose to take, or consider should be taken, during the next reporting period in order to meet the heat decarbonisation target.

(2) A report under subsection (1)—

(a) must be prepared no later than 12 months after the end of the reporting period to which it relates, and

(b) may include any other information that the Scottish Ministers consider appropriate.

(3) In preparing a report under subsection (1), the Scottish Ministers must consult—

(a) each local authority, and

(b) any other person they consider appropriate.

(4) As soon as reasonably practicable after preparing a report under subsection (1), the Scottish Ministers must—

(a) publish the report, and

(b) lay a copy of it before the Scottish Parliament.

(5) For the purposes of this section, the reporting periods are—

(a) the period of 5 years beginning with the day on which the first version of the heat decarbonisation strategy is published,

(b) each subsequent period of 5 years, and

(c) the period (the "final reporting period") beginning with the day after the end of the last period of 5 years determined under paragraph (b) and ending on 31 December 2045.

(6) Subsection (1)(c) does not apply to the report for the final reporting period.

## PART 2

ENERGY PERFORMANCE

### 5 Energy performance requirements

(1) The Scottish Ministers may by regulations set minimum energy performance standards for buildings in which direct emission heating systems are used.

(2) Regulations under subsection (1) may also—

(a) provide for the assessment of the energy performance of such buildings (which may be by reference to an existing system for such assessment), and

(b) require owners of buildings that do not meet the minimum standard to take steps to improve the energy performance of such buildings.

(3) Regulations under subsection (1) may in particular include provision about—

(a) the circumstances in which the regulations do and do not apply,

(b) the buildings to which the regulations do and do not apply,

(c) the persons who may be required to have assessments carried out,

(d) the circumstances in, and periods within, which assessments are to be carried out,

(e) the persons who may carry out assessments,

(f) the procedure and methodology for assessing the energy performance of buildings,

(g) the issuing of certificates following assessments, including the form and content of such certificates,

(h) the registration of such certificates,

(i) the disclosure of information which may be entered in a register,

(j) recommendations as to the improvement of the energy performance of buildings that may be made following assessments, including as to the steps that may be taken,

(k) the manner in, and periods within, which owners may be required to take steps to improve the energy performance of buildings that do not meet the minimum standard,

(l) subject to subsection (4), the enforcement authority in relation to the regulations,

(m) subject to subsection (6), the functions of that authority,

(n) the keeping of information and its production to the enforcement authority,

(o) exemptions from requirements imposed by or under the regulations,

(p) securing compliance with requirements imposed by or under the regulations,

(q) review and appeal of decisions of the enforcement authority.

(4) The enforcement authority provided for in the regulations is to be such person as the Scottish Ministers consider appropriate.

(5) The regulations may make provision for the functions of the enforcement authority to be exercised by two or more such authorities and about the functions of each authority.

(6) The functions of the enforcement authority may include power to levy charges to recover reasonable costs incurred by it in relation to—

(a) the exercise of its functions under the regulations,

(b) anything done by it which is calculated to facilitate, or is conducive or incidental to, the exercise of any such function.

(7) In this section and in section 6, "energy performance", in relation to a building, includes its energy use, energy efficiency and greenhouse gas emissions.

**6 Energy performance regulations: further provision**

(1) Regulations under section 5(1) may set different minimum energy performance standards in relation to different types of building.

(2) Regulations under section 5(1) may apply to—

(a) specified areas (which may include the whole of Scotland),

(b) specified types of building (which may include all types of building), or

(c) any combination of such areas and types of building.

(3) For the purposes of subsection (2)(b) and (c), buildings may be specified by reference to types of owner as well as types of building.

(4) Regulations under section 5(1) may not take effect in relation to specified areas or specified types of building before the expiry of the period of at least 12 months beginning with the day on which the first regulations which apply to such areas or types are made.

(5) In this section, "specified" means specified in regulations under section 5(1).

**7 Energy performance regulations: compliance and sanctions**

(1) Regulations under section 5(1) may, for the purposes of securing compliance with requirements imposed by or under the regulations, make provision about—

(a) sanctions for non-compliance with such a requirement,

(b) sanctions for the provision of false information in connection with such a requirement,

(c) sanctions for obstruction of, or impersonation of, the enforcement authority or a person acting for the enforcement authority.

(2) Regulations under section 5(1) may provide for the imposition of civil penalties by the enforcement authority in relation to cases falling within subsection (1).

(3) But no civil penalty so provided for may exceed £15,000.

(4) Where regulations make provision for civil penalties, the regulations must also include provision for a right of appeal to a court or tribunal against the imposition of the penalty.

(5) The Scottish Ministers may by regulations modify subsection (3) to substitute for the figure for the time being mentioned there such other figure as they consider appropriate.

**8 Modification of enactments**

(1) The Climate Change (Scotland) Act 2009 is modified as follows.

(2) Sections 63, 64 and 71 are repealed.

## PART 3

HEAT NETWORKS

*Heat network consent and key heat network assets*

### 9 Heat network consent and key heat network assets

(1) The 2021 Act is modified as follows.

(2) In section 19 (exemptions from requirement for heat network consent), at the end of subsection (1)(b) insert "(for example, all heat networks situated within a heat network zone, as defined by section 46(3), or communal heating systems)".

(3) In section 20 (designation of local authority as consent authority for the area of the local authority), in subsection (3), the words "and Part 7" are repealed.

(4) In section 23 (determining heat network consent applications), subsections (2), (3) and (5) are repealed.

(5) Part 7 (key heat network assets) is repealed.

*Regulations about heat network zones*

### 10 Regulations about heat network zones

(1) The Scottish Ministers may by regulations make provision about heat network zones.

(2) A heat network zone is an area designated as such under Part 3 of the 2021 Act by virtue of being particularly suitable for the construction and operation of a heat network.

(3) Schedule 1 further describes, but does not limit, the kinds of provision that may be made by regulations under subsection (1).

(4) Before making regulations under subsection (1), the Scottish Ministers must consult—

(a) each local authority, and

(b) any other person they consider appropriate.

(5) For the purposes of subsection (4), it is immaterial that anything done by way of consultation was done before this section comes into force.

*Heat network zone permits*

### 11 Heat network zone permits: designation of "permit authority"

(1) The 2021 Act is modified as follows.

(2) In section 55 (meaning of "permit authority")—

(a) the existing words become subsection (1),

(b) after that subsection insert—

"(2) Regulations under subsection (1)(b) may make different provision for different heat network zones.".

*Installation and maintenance licences*

### 12 Authorisation of use of powers in Part 6 of the 2021 Act

(1) The 2021 Act is modified as follows.

(2) In section 68 (compulsory acquisition of land by licence holder), in subsection (7), for "a heat networks licence" substitute "an installation and maintenance licence".

(3) In section 82 (power to carry out road works), in subsection (1), for "a heat networks licence" substitute "an installation and maintenance licence".

(4) In section 83 (interpretation of Part 6), after the definition of "heat network apparatus" insert—

> ""installation and maintenance licence" means a licence issued under regulations under section 13(1) of the Buildings (Heating and Energy Performance) and Heat Networks (Scotland) Act 2027,".

**13 Installation and maintenance licences**

(1) The Scottish Ministers may by regulations provide for the Regulator to issue licences which authorise the holder of a licence to use the powers specified in Part 6 of the 2021 Act for purposes relating to the installation and maintenance of heat networks.

(2) In subsection (1), "the Regulator" means—

(a) the Scottish Ministers, or

(b) such other person as the Scottish Ministers may by regulations designate as the Regulator for the purposes of this section.

(3) Schedule 2 further describes, but does not limit, the kinds of provision that may be made by regulations under subsection (1).

## PART 4

FINAL PROVISIONS

**14 Interpretation**

(1) In this Act—

"2021 Act" means the Heat Networks (Scotland) Act 2021,

"alternative heating system" means a heating system other than a direct emission heating system which, during normal use, does not produce more than a negligible level of greenhouse gas emissions,

"bioenergy or peat heating system", in relation to a building, means a fixed combustion appliance installation which is used to produce thermal energy to heat or cool the space within the building, or to provide hot water within the building, and which for fuel is designed to use—

(a) biofuel,

(b) biomass, or

(c) peat,

"biofuel" means liquid or gaseous fuel which is produced wholly from biomass,

"biomass" means material, other than fossil fuel, which is, or is derived directly or indirectly from, plant matter (such as wood), animal matter, fungi or algae,

"building" includes a building unit, as defined by section 1(6) of the 2021 Act,

"direct emission heating system", in relation to a building, means a fixed combustion appliance installation (other than a fixed combustion appliance installation which is a source of production from which thermal energy is distributed by a heat network and other than a bioenergy or peat heating system) which—

(a) is used to produce thermal energy to—

(i) heat or cool the space within the building, or

(ii) provide hot water within the building,

(b) is located within the building or in the curtilage of the building, and

(c) during normal use, produces more than a negligible level of greenhouse gas emissions at the point of producing that thermal energy,

"emissions" has the meaning given by section 17(1) of the Climate Change (Scotland) Act 2009,

"greenhouse gas" has the meaning given by section 10(1) of the Climate Change (Scotland) Act 2009,

"heat network" has the meaning given by section 1(1) of the 2021 Act,

"heat network zone" has the meaning given by section 10(2),

"peat" has the meaning given by section 22(1) of the Wildlife Management and Muirburn (Scotland) Act 2024,

"thermal energy" has the meaning given by section 1(5) of the 2021 Act.

(2) The Scottish Ministers may by regulations modify subsection (1) to vary, add or remove a definition of an expression.

**15 Ancillary provision**

(1) The Scottish Ministers may by regulations make any incidental, supplementary, consequential, transitional, transitory or saving provision they consider appropriate for the purposes of, in connection with, or for giving full effect to this Act or any provision made under it.

(2) Regulations under subsection (1) may modify any enactment (including this Act).

**16 Regulations**

(1) A power to make regulations conferred by this Act includes the power to make—

(a) different provision for different purposes or areas,

(b) incidental, supplementary, consequential, transitional, transitory or saving provision.

(2) Subject to subsection (3), regulations under this Act are subject to the affirmative procedure.

(3) Regulations under section 15(1)—

(a) are subject to the affirmative procedure if they add to, replace or omit any part of the text of an Act (including this Act),

(b) otherwise, are subject to the negative procedure.

(4) Subsection (1)(b) does not apply to regulations under section 15(1).

(5) This section does not apply to regulations under section 17(2).

### 17 Commencement

(1) The following provisions come into force on the day after Royal Assent—

(a) this section,

(b) sections 15, 16 and 18.

(2) The other provisions of this Act come into force on such day as the Scottish Ministers may by regulations appoint.

(3) Regulations under subsection (2) may—

(a) include transitional, transitory or saving provision,

(b) make different provision for different purposes.

### 18 Short title

The short title of this Act is the Buildings (Heating and Energy Performance) and Heat Networks (Scotland) Act 2027.

## SCHEDULE 1
*(introduced by section 10)*

### PROVISION THAT MAY BE MADE BY REGULATIONS UNDER SECTION 10(1)

*General*

1 (1) The provisions described in this schedule are the kinds of provision that may, in particular, be made by regulations under section 10(1).

(2) In this schedule—

"district heat network" has the meaning given by section 1(2) of the 2021 Act,

"heat network zone requirement" means a requirement imposed by, or by virtue of, the regulations (other than regulations made by virtue of paragraph 11 or 12(2)(a) or (b)),

"regulations" means regulations under section 10(1),

"zone co-ordinator" means the person designated by the regulations as a zone co-ordinator for a heat network zone.

*Zone co-ordinators*

2 (1) Provision about zone co-ordinators, whose purpose is to carry out functions conferred on them by the regulations in relation to particular heat network zones.

(2) This may provide for the Scottish Ministers to designate a person, including themselves or any designated permit authority, as a zone co-ordinator for a heat network zone.

(3) In sub-paragraph (2), "designated permit authority" means a person designated by regulations under section 55(1)(b) of the 2021 Act as the permit authority for the heat network zone.

*Heat network zone requirements*

3 (1) Provision that imposes requirements for the purpose of securing that buildings situated within a heat network zone, other than buildings in which no direct emission heating system is used, are connected to a district heat network.

(2) This may provide for the requirements—

(a) to apply—

(i) to persons of a description specified in the regulations,

(ii) to buildings of a type specified in the regulations,

(iii) in circumstances specified by the regulations,

(b) to be complied with within a time specified by, or determined in accordance with, the regulations.

4 (1) Provision that imposes requirements for the purpose of securing that direct emission heating systems are not used in buildings situated within a heat network zone.

(2) This may provide for the requirements—

(a) to apply—

(i) to persons of a description specified in the regulations,

(ii) to buildings of a type specified in the regulations,

(iii) in circumstances specified by the regulations,

(b) to be complied with within a time specified by, or determined in accordance with, the regulations.

5 Provision for a zone co-ordinator to give notice of requirements imposed by regulations made by virtue of paragraph 3 or 4 to persons on whom requirements are imposed.

6 (1) Provision for a zone co-ordinator to grant exemptions from requirements imposed by regulations made by virtue of paragraph 3 or 4.

(2) This may specify—

(a) how an application for an exemption is to be made and determined,

(b) the criteria in accordance with which a zone co-ordinator is to determine an application for an exemption,

(c) how, and on what grounds, a refusal to grant an exemption may be appealed,

(d) how an appeal against a refusal to grant an exemption is to be determined,

(e) other procedural matters (including requirements to give notice of, and reasons for, decisions).

7 (1) Provision for, or in connection with, a zone co-ordinator issuing a notice requiring a person to provide information about a source of thermal energy located on the person's premises that may be suitable to supply a district heat network within a heat network zone.

(2) This may—

(a) specify the information about the source of thermal energy that a person may be required, by notice, to provide,

(b) require the person who is issued with such a notice to provide the required information within the period, and in the form and manner, specified in the notice.

8 (1) Provision for, or in connection with, a zone co-ordinator setting a limit on emissions of greenhouse gases resulting from district heat networks within a heat network zone.

(2) This may—

(a) specify the manner and form in which a limit is to be set,

(b) require a zone co-ordinator to obtain the consent of the Scottish Ministers before setting a limit,

(c) specify the persons who are required to comply with a limit which is set.

9 (1) Provision for a zone co-ordinator to afford a grace period to a person who is required to comply with a limit set under regulations made by virtue of paragraph 8.

(2) This may—

(a) specify the circumstances and manner in which a zone co-ordinator may or must afford a person a grace period,

(b) specify how, and on what grounds, a refusal to afford a person a grace period may be appealed,

(c) specify how an appeal against a refusal to afford a grace period is to be determined,

(d) specify other procedural matters (including requirements to give notice of, and reasons for, decisions),

(e) provide for the Scottish Ministers to issue guidance in relation to grace periods.

(3) In this paragraph, "grace period" means a period to comply before enforcement action is taken.

*Delivery of district heat networks within heat network zones*

10 (1) Provision about the delivery of district heat networks within heat network zones.

(2) This may include provision for or in connection with—

(a) zone co-ordinators deciding—

(i) what district heat networks may be constructed and operated within a heat network zone,

(ii) who will design, construct, operate and maintain district heat networks within heat network zones,

(b) zone co-ordinators designing, constructing, operating or maintaining district heat networks within heat network zones, or arranging for their design, construction, operation or maintenance,

(c) the Scottish Ministers giving advice to zone co-ordinators about the delivery of district heat networks within heat network zones.

(3) The provision that may be made by virtue of sub-paragraph (2)(a) may—

(a) specify how, and in what form, a zone co-ordinator's decision is to be made,

(b) provide for a zone co-ordinator to vary or revoke a decision,

(c) specify the considerations a zone co-ordinator may or must take into account when making, varying or revoking a decision,

(d) provide for the publication of a decision or the variation or revocation of a decision,

(e) specify how, and on what grounds, a decision, or a variation or revocation of a decision, may be appealed,

(f) specify how an appeal against a decision, or a variation or revocation of a decision, is to be determined,

(g) specify other procedural matters (including requirements to give reasons for decisions),

(h) provide for a zone co-ordinator to lose the power to decide the matters specified in sub-paragraph (2)(a)(i) and (ii), and for those matters to cease to be within the

zone co-ordinator's control, if the zone co-ordinator fails to take steps specified by the regulations within the time specified by the regulations.

*Information requirements*

11 (1) Provision for or in connection with—

(a) a zone co-ordinator issuing a notice requiring a person to provide information for the purposes of enabling the zone co-ordinator to—

(i) monitor or secure compliance with any heat network zone requirement,

(ii) perform any other function conferred on the zone co-ordinator by the regulations,

(b) the Scottish Ministers issuing a notice requiring a person to provide information for the purpose of enabling them to perform any function conferred on them by the regulations.

(2) This may—

(a) provide for a zone co-ordinator or (as the case may be) the Scottish Ministers to issue a notice requiring the provision of information by persons of a description specified in the regulations,

(b) specify—

(i) the information (including information in the form of a document) that a person may be required, by notice, to provide, and

(ii) the circumstances in which such a notice may (or may not) be issued,

(c) require the person who is issued with a notice to provide the required information within the period, and in the form and manner, specified in the notice,

(d) provide for the verification of information provided in compliance with a notice,

(e) impose restrictions or conditions on the disclosure of such information by a zone co-ordinator, the Scottish Ministers or others,

(f) provide for a zone co-ordinator or (as the case may be) the Scottish Ministers to impose a penalty on a person—

(i) for not complying with a notice, or

(ii) for providing information, in purported compliance with a notice, that is false or misleading in a material particular.

*Enforcement of heat network zone requirements*

12 (1) Provision about the enforcement of heat network zone requirements.

(2) This may provide for a zone co-ordinator—

(a) to issue a notice requiring a person to demonstrate compliance with a heat network zone requirement where the zone co-ordinator suspects that the person is not complying with the requirement,

(b) to issue a notice specifying the steps a person is required to take in order to comply with a heat network zone requirement where the zone co-ordinator is satisfied that the person is not complying with the requirement,

(c) to impose a penalty on a person for failing to comply with—

(i) a heat network zone requirement, or

(ii) a requirement imposed by a notice issued under regulations made by virtue of paragraph (a) or (b),

(d) to use more than one method of enforcement.

(3) The provision that may be made by virtue of sub-paragraph (2)(a) or (b) may specify—

(a) the form and content of a notice,

(b) the circumstances and manner in which a notice may or must be issued,

(c) the period within which a person must comply with a notice,

(d) how a notice may be enforced,

(e) how, and on what grounds, a notice may be appealed,

(f) how an appeal against a notice is to be determined,

(g) who may determine an appeal,

(h) the decisions that may be taken on appeal,

(i) other procedural matters.

*Penalties*

13 (1) Provision about the penalties that may be imposed under regulations made by virtue of paragraph 11(2)(f) or 12(2)(c).

(2) This may—

(a) specify the maximum amount that may be imposed by way of penalty,

(b) specify the circumstances and manner in which a penalty may be imposed,

(c) specify the considerations a zone co-ordinator, or (as the case may be) the Scottish Ministers, may or must take into account when imposing a penalty,

(d) specify other procedural matters,

(e) provide for the payment of interest,

(f) specify how a penalty (and any interest) may be recovered,

(g) provide for the payment of a penalty (and any interest) in instalments,

(h) require sums received by way of penalty to be paid into the Scottish Consolidated Fund or to persons specified by the regulations.

(3) But regulations made by virtue of paragraph 11(2)(f) or 12(2)(c)—

(a) must include provision for a right of appeal against the imposition of a penalty,

(b) may also specify—

(i) how, and on what grounds, a penalty may be appealed,

(ii) the circumstances in which the validity of a penalty may, or may not, be challenged on appeal,

(iii) how an appeal against a penalty is to be determined,

(iv) who may determine an appeal,

(v) the decisions that may be taken on appeal,

(vi) other procedural matters relating to an appeal against a penalty.

*Fees*

14 (1) Provision for the payment of a charge or fee to—

(a) a zone co-ordinator in respect of—

(i) the performance by the zone co-ordinator of any of the zone co-ordinator's functions under the regulations,

(ii) anything done by the zone co-ordinator that is calculated to facilitate, or is conducive or incidental to, the performance of any such function,

(b) the Scottish Ministers in respect of—

(i) the performance by the Scottish Ministers of any of their functions under the regulations,

(ii) anything done by the Scottish Ministers that is calculated to facilitate, or is conducive or incidental to, the performance of any such function.

(2) This may—

(a) specify the person by whom the charge or fee is to be paid,

(b) specify charges or fees to be determined by reference to such factors as may be specified in, or determined under, the regulations,

(c) provide for the remission or repayment of fees in such circumstances as may be specified in, or determined under, the regulations.

(3) Where regulations made by virtue of sub-paragraph (1)(a) provide for a fee to be charged in respect of any application made to a zone co-ordinator under the regulations, the zone co-ordinator need not consider the application unless and until the fee is paid.

## SCHEDULE 2
*(introduced by section 13)*

### INSTALLATION AND MAINTENANCE LICENCES

*General*

1 (1) The provisions described in this schedule are the kinds of provision that may, in particular, be made by regulations under section 13(1).

(2) In this schedule—

"enforcement undertaking" means an undertaking to take, within the period specified in the undertaking, such action as may be so specified to secure compliance with a licensing requirement,

"installation and maintenance licence" means a licence issued under the regulations,

"licence holder" means a person who holds an installation and maintenance licence,

"licensing requirement" means any of the following—

(a) a condition of an installation and maintenance licence,

(b) a limitation of an installation and maintenance licence,

(c) a requirement imposed on the licence holder by or under the regulations,

"regulations" means regulations under section 13(1),

"the Regulator" has the meaning given by section 13(2).

*Licence applications*

2 (1) Provision about the procedure for applying for an installation and maintenance licence.

(2) This may include provision about—

(a) the form and content of an application,

(b) the manner in which the application and any accompanying documents are to be submitted to the Regulator.

*Determining licence applications*

3 (1) Provision about the procedure to be followed by the Regulator when determining an application for an installation and maintenance licence.

(2) This may include—

(a) requiring the Regulator to be satisfied, before issuing an installation and maintenance licence to a person, that the person is an appropriate person to hold such a licence,

(b) requiring the Regulator, in deciding whether a person is an appropriate person to hold an installation and maintenance licence, to consider such matters as may be specified in the regulations (for example, matters relating to the abilities or financial resources of the person applying for a licence or the nature of the business carried on by the person),

(c) specifying other conditions that are to be satisfied before the Regulator may issue an installation and maintenance licence.

*Duration of licence*

4 Provision about the period for which an installation and maintenance licence may have effect.

*Transfer of licence*

5 (1) Provision about the transfer of an installation and maintenance licence.

(2) This may include provision about—

(a) the circumstances in which an installation and maintenance licence may (or may not) be transferred,

(b) the conditions on which an installation and maintenance licence may be transferred.

*Conditions and limitations of licence*

6 (1) Provision about the conditions and limitations of an installation and maintenance licence.

(2) This may provide for the Regulator—

(a) to determine conditions to be included—

(i) in each installation and maintenance licence, or

(ii) in each installation and maintenance licence of a particular description,

(b) to consult on, and publish, the conditions proposed to be so determined,

(c) to include, in an installation and maintenance licence, conditions that are special to that licence,

(d) to include, in an installation and maintenance licence, conditions that meet objectives or other criteria specified in the regulations,

(e) to include, in an installation and maintenance licence, limitations relating to—

(i) the powers in Part 6 of the 2021 Act which the licence holder is authorised to use,

(ii) the areas in which the licence holder is authorised to use those powers,

(iii) such other matters as may be specified in the regulations.

(3) Such provision may also provide for the following kinds of conditions to be included in an installation and maintenance licence—

(a) conditions about providing information to the Regulator or any other person of a description specified in the regulations,

(b) conditions about the payment of fees in connection with the licence.

*Modification of licence*

7 (1) Provision about the modification of an installation and maintenance licence.

(2) This may provide for—

(a) the Regulator to modify or revoke—

(i) a condition or limitation of a particular installation and maintenance licence,

(ii) a condition or limitation that is included in two or more installation and maintenance licences,

(b) the Regulator to make such a modification—

(i) following an application by the licence holder, or

(ii) on the Regulator's own initiative,

(c) the procedure to be followed by—

(i) the licence holder when applying for a modification (including the form and manner in which an application is to be made),

(ii) the Regulator when proposing to make a modification,

(d) the notification of any modification,

(e) the time when any modification takes effect.

(3) Such provision may provide for the conditions or limitations of an installation and maintenance licence—

(a) to have effect, or cease to have effect, at such times and in such circumstances as may be determined by or under the conditions or limitations,

(b) to be modified—

(i) in such manner as may be specified in the conditions or limitations,

(ii) at such times and in such circumstances as may be determined by or under the conditions or limitations.

*Review and revocation of licence*

8 (1) Provision about the review and revocation of an installation and maintenance licence.

(2) This may provide for—

(a) the Regulator to review, at any time while an installation and maintenance licence has effect—

(i) the conditions or limitations of the licence, or

(ii) the activities carried out by virtue of the licence,

(b) the Regulator to revoke an installation and maintenance licence, including—

(i) the procedure to be followed by the Regulator when proposing to revoke the licence,

(ii) the notification of any revocation,

(iii) the time when any revocation takes effect,

(c) an installation and maintenance licence to cease to have effect in circumstances specified in, or determined under, the licence.

*Appeal against revocation of licence*

9 (1) Provision about the procedure for appealing against the revocation of an installation and maintenance licence.

(2) This may specify—

(a) how, and on what grounds, the revocation of an installation and maintenance licence may be appealed,

(b) how an appeal against the revocation of an installation and maintenance licence is to be determined,

(c) who may determine an appeal,

(d) the decisions that may be taken on appeal,

(e) other procedural matters.

*Information requirements*

10 (1) Provision for, or in connection with, the Regulator issuing a notice requiring a person to provide information for the purposes of enabling the Regulator to—

(a) monitor or secure compliance with any licensing requirement,

(b) perform any other function conferred on the Regulator by the regulations.

(2) This may—

(a) provide for the Regulator to issue a notice requiring the provision of information by persons of a description specified in the regulations,

(b) specify—

(i) the information (including information in the form of a document) that a person may be required, by notice, to provide, and

(ii) the circumstances in which such a notice may (or may not) be issued,

(c) require the person who is issued with a notice to provide the required information within the period, and in the form and manner, specified in the notice,

(d) provide for the verification of information provided in compliance with a notice,

(e) impose restrictions or conditions on the disclosure of such information by the Regulator or others.

*Enforcement of licensing requirements*

11 (1) Provision about the enforcement of licensing requirements.

(2) This may provide for the Regulator—

(a) in a case where the Regulator is satisfied that a licence holder is failing (or is likely to fail) to comply with a licensing requirement, to issue a notice requiring the licence holder to take such steps as the Regulator considers appropriate for the purpose of securing the licence holder's compliance with the licensing requirement,

(b) to impose a penalty on a licence holder for failing to comply with a licensing requirement,

(c) to use more than one method of enforcement.

(3) The provision that may be made by virtue of sub-paragraph (2)(a) may—

(a) specify the form and content of a notice,

(b) specify the circumstances and manner in which a notice may or must be issued,

(c) specify the period within which a licence holder must comply with a notice,

(d) specify how a notice may be enforced,

(e) provide for the Regulator to accept an enforcement undertaking from a licence holder and the consequences of accepting such an undertaking,

(f) specify how, and on what grounds, a notice may be appealed,

(g) specify the circumstances in which the validity of a notice may, or may not, be challenged on appeal,

(h) specify how an appeal against a notice is to be determined,

(i) specify who may determine an appeal,

(j) specify the decisions that may be taken on appeal,

(k) specify other procedural matters.

*Penalties*

12 (1) Provision about the penalties that may be imposed under regulations made by virtue of paragraph 11(2)(b).

(2) This may—

(a) specify the maximum amount that may be imposed by way of penalty,

(b) specify the circumstances and manner in which a penalty may be imposed,

(c) specify the considerations the Regulator may or must take into account when imposing a penalty,

(d) specify other procedural matters,

(e) provide for the Regulator—

(i) to publish a statement of policy about the imposition of penalties and the determination of their amount,

(ii) to revise the statement of policy,

(f) provide for the payment of interest,

(g) specify how a penalty (and any interest) may be recovered,

(h) provide for the payment of a penalty (and any interest) in instalments,

(i) provide for the Regulator to accept an enforcement undertaking from a licence holder and about the consequences of accepting such an undertaking.

(3) But regulations made by virtue of paragraph 11(2)(b)—

(a) must include provision for a right of appeal against the imposition of a penalty,

(b) may also specify—

(i) how, and on what grounds, a penalty may be appealed,

(ii) the circumstances in which the validity of a penalty may, or may not, be challenged on appeal,

(iii) how an appeal against a penalty is to be determined,

(iv) who may determine an appeal,

(v) the decisions that may be taken on appeal,

(vi) other procedural matters relating to an appeal against a penalty.

*Fees*

13 (1) Provision for the payment of a charge or fee to the Regulator in respect of—

(a) the performance by the Regulator of any of the Regulator's functions under the regulations,

(b) anything done by the Regulator that is calculated to facilitate, or is conducive or incidental to, the performance of any such function.

(2) This may—

(a) specify charges or fees to be determined by reference to such factors as may be specified in, or determined under, the regulations,

(b) provide for the remission or repayment of fees in such circumstances as may be specified in, or determined under, the regulations.

(3) Where regulations made by virtue of sub-paragraph (1) provide for a fee to be charged in respect of any application made to the Regulator under the regulations, the Regulator need not consider the application unless and until the fee is paid.