

Consultation on a new Social Housing Net Zero Standard in Scotland

November 2023

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Ministerial Foreword

I am delighted to publish the Scottish Government's consultation on a Social Housing Net Zero Standard that will replace the second Energy Efficiency Standard for Social Housing (ESSH2).

I confirmed in our publication last year of the Scottish Government's response to the Zero Emissions Social Housing Taskforce (ZEST) report that we would accelerate our review of ESSH2. This was to establish a new standard that matches our net zero ambition, and to provide much needed clarity for social landlords to guide retrofit and investment planning.

This review has been taken forward with representatives and tenants of the Scottish social rented sector, and has been considering both energy efficiency upgrades and the need to deploy clean heating systems. I am very grateful for the work, time and support generously given by the members of our ESSH2 review group.

We are also publishing this consultation at around the same time as a related consultation on proposals for a Heat in Buildings Bill, which sets out similar requirements for the rest of Scotland's homes and buildings.

The Scottish Government wants all of our homes to be warmer, greener and more efficient, and is committed to ensuring that everyone in Scotland, no matter their financial situation, has access to good quality housing that they can afford to heat.

The social housing sector has been leading the way on energy efficiency in recent years. We intend to continue working in partnership to ensure that the sector understands its role in the transition to net zero and is equipped to make that happen.

Eighty-eight per cent of homes in the social rented sector now meet the requirements of the first Energy Efficiency Standard for Social Housing (ESSH1), broadly equivalent to EPC Band C or D. Continuing these efforts will be critical in the fight against fuel poverty, but we need to do more to meet our ambitious climate targets and to ensure that Scottish homes are fit for future generations.

There are approximately 600,000 homes in the Scottish social housing sector, with 500,000 gas boilers which will need to be changed by 2045 to clean heating systems such as heat pumps and heat networks. Social housing therefore has a significant contribution to make to meeting Scotland's climate change targets.

However, we recognise that current energy prices, especially electricity prices, might make the transition to clean heating difficult. The cost of living crisis and unprecedented surges in energy prices underline the challenge facing us. That cost of living crisis stems in large part from an over-reliance on fossil fuels, and so the changes we will all need to make to adopt clean heating systems are necessary to reduce those cost pressures in the longer term, as well as to reduce emissions.

But we are also determined to protect people from unacceptable short term costs, and to achieve our goal to reduce emissions at the same as supporting people facing wider financial pressures. These changes will help make our energy more affordable and secure, while eliminating energy efficiency as a driver of fuel poverty.

The Scottish Government has called repeatedly upon the UK Government to urgently fulfil its commitment to publish proposals designed to rebalance gas and electricity prices, and which will make climate friendly heating systems cost less to run than polluting heating systems.

There have also been calls from both industry and the third sector, as well as from the Scottish Government, for the introduction of a social tariff for energy consumers as a way of protecting those who are most in need of support. This could act as a form of transitional protection for social tenants during the switch to clean heating.

The Scottish Government believes that a social tariff mechanism is needed urgently to provide a much needed safety net for vulnerable consumers. The mechanism should be funded through taxing significant windfall gains rather than passing the cost on to taxpayers.

We are committed to the principle that meeting our climate change targets should be a just transition, and that the burden does not fall unfairly on those least able to pay. We have committed at least £1.8 billion over this parliament to support this transition and to scale up the deployment of clean heat and energy efficiency measures in buildings across Scotland. This investment will remain a priority, though specific amounts of grant funding available will depend on annual budget decisions. This process will be done in the usual manner. References in this document are to the existing funding offers available and may change in future.

We are engaging with local authorities and registered social landlords (RSLs) on the support needed for the social housing sector. This includes the £200 million Social Housing Net Zero Heat Fund, which has been designed to support and accelerate the delivery of energy efficiency measures and clean heating systems in social housing. We have also established the Green Heat Finance Taskforce to explore ways of encouraging a greater flow of private sector investment in energy efficiency and clean heating, and which has recently published its first report.

I would like to thank the social housing sector for its continued leadership on energy efficiency, and positive engagement with the review of EESSH2. I look forward to continued cooperation, and of course to hearing your views on the proposals in this consultation for a new Social Housing Net Zero Standard.

1. Introduction

1.1 Outline

This consultation seeks views on a new Social Housing Net Zero Standard (SHNZS). You can access and respond to this consultation online via Citizen Space. For information about the Scottish Government consultation process see Annex A below.

1.2 Background

1.2.1 The Scottish Social Housing Charter sets out that social landlords must make sure that when homes are allocated they “meet the Scottish Housing Quality Standard (SHQS), and any other building quality standard in place throughout the tenancy, and also meet the relevant Energy Efficiency and Zero Emission Heat Standard.”¹ The new SHNZS will be the relevant zero emission heat standard for the purposes of the Charter.

1.2.2 The first standard for energy efficiency in social housing in Scotland was included in the Scottish Housing Quality Standard in 2004. The SHQS set out a minimum standard for specific housing elements, such as insulation, boiler efficiency and the presence of a central heating system. Less than half of social housing met this minimum standard when it was introduced². By 2015, however, the independent Scottish Housing Regulator reported that over 90% of social homes met SHQS³.

1.2.3 The Energy Efficiency Standard for Social Housing (ESSH) was launched in March 2014, and aimed to encourage social landlords to help remove poor energy efficiency as a driver of fuel poverty and contribute to achieving the Scottish Government’s climate change emissions reductions targets⁴. ESSH replaced the energy efficiency elements of SHQS.

1.2.4 The first ESSH milestone required social landlords to meet an energy efficiency rating equivalent to Energy Performance Certificate (EPC) Band C and D (Energy Efficiency rating) by 2020.

1.2.5 ESSH was reviewed in 2018-19 and set a new milestone for 2032. This was known as ESSH2 and required that all social housing meet, or could be treated as meeting, EPC band B, or be as energy efficient as practically possible, by the end of December 2032 and within the limits of cost, technology and necessary consent. It also stated that no social housing below EPC Band D should be re-let from December 2025, subject to temporary specified exemptions⁵.

¹ [Scottish Social Housing Charter 4 Outcome - November 2022](#)

² [SHCS Key Findings 2007 - Figure 8](#)

³ [SHCS Key Findings 2015 - Paragraph 244](#)

⁴ [Energy Efficiency in Social Housing](#)

⁵ [ESSH Guidance for Social Landlords](#)

1.2.6 The Scottish Housing Regulator reports that 88% of homes in the sector met the first milestone of the Energy Efficiency Standard for Social Housing⁶. Latest figures show that 56% of homes in the social homes sector were rated Energy Performance Certificate (EPC) C⁷.

1.2.7 The Climate Change (Scotland) Act 2009, as amended in 2020, sets a statutory target to reach net zero carbon emissions by 2045⁸. The Scottish Government committed in its 2021 Heat in Buildings Strategy⁹ to reviewing EESSH2 in 2023 with a view to aligning it with Scotland's net zero targets. The independently chaired ZEST group recommended that the EESSH2 review be accelerated to bring it into line with net zero and provide clarity for social landlords¹⁰.

1.2.8 The review of EESSH2 also takes account of the Scottish Government's proposals for the reform of Energy Performance Certificates¹¹, as well as the consultation on proposals for a Heat in Buildings Bill and the recommendations of the Scottish Parliament Climate Change Committee¹². A summary of the proposals for domestic buildings other than social housing is set out in Annex B.

1.2.9 The EESSH2 Review Group began work in September 2022. The group's remit¹³ was to propose a new target for reducing climate change emissions from social housing which is aligned with Scotland's 2045 net zero target and which ensures a just transition so that people are not left behind¹⁴.

1.2.10 To help achieve the 2045 net zero target, social housing will need to use 'zero direct emissions heating systems' to provide heat and hot water (and which this consultation document will refer to from here as '**clean heating systems**'). These systems – such as heat pumps and heat networks – don't produce any greenhouse gas emissions at the point of use. Modern, efficient electric storage heaters can also perform the same role, as can wet electric heating¹⁵, and other direct electric heating technologies.

1.2.11 In contrast, heating systems which burn fossil fuels like gas, oil and liquid petroleum gas (LPG) boilers are 'direct emissions heating systems' because they do produce greenhouse gas emissions when we use them. (We will call these '**polluting heating systems**' throughout this consultation document).

1.3 Purpose and Objectives of this Consultation

⁶ [National Report on the Scottish Social Housing Charter - Headline Findings - 2021 -2022 | Scottish Housing Regulator](#)

⁷ [Scottish house condition survey: 2019 key findings](#)

⁸ [Climate Change \(Scotland\) Act 2009](#)

⁹ [Heat in Buildings Strategy](#)

¹⁰ [Achieving net zero in social housing: ZEST Report, Recommendation 4](#)

¹¹ [Domestic EPC Reform Consultation - Analysis Summary Report](#)

¹² [Letter: Reform of domestic EPC rating metrics to Patrick Harvie MSP](#)

¹³ [Energy Efficiency Standard for Social Housing Review Group: Terms of reference](#)

¹⁴ [Heat in buildings: Energy Efficiency Standard for Social Housing Review Group](#)

¹⁵ Such as an electric boiler which produces hot water that is distributed around the property, heating radiators and becoming available for use from hot taps and showers.

1.3.1 This consultation seeks views on the proposals for a new SHNZS to replace EESSH2.

1.3.2 The Scottish Government will commission an independent analysis of the responses to this consultation to help inform its decision making. The EESSH2 Review Group will also be asked to consider the design of the new SHNZS which is arrived at following this consultation.

1.3.3 When a final decision has been reached and the new SHNZS is published, the Scottish Housing Regulator will engage with social landlords on the Charter indicators which will be needed for reporting performance against the target. The Scottish Government will also publish guidance for landlords on how to comply with the SHNZS.

1.3.4 In order to avoid the cost and disruption of future retrofit of affordable homes, we will be accelerating¹⁶ the introduction of clean heating in all new build and conversion projects delivered by councils and RSLs through the Affordable Housing Supply Programme over the coming months.

1.3.5 This consultation document is structured as follows:

- Section 2 sets out the principles of a new SHNZS, and what is intended to be achieved by the new standard.
- Section 3 outlines the proposals of the new SHNZS. This includes feedback from stakeholders and working groups which helped form the proposals within the consultation.
- Section 4 outlines how the proposals apply to mixed tenure housing
- Section 5 outlines how the proposals apply to Gypsy/Traveller sites
- Section 6 outlines the cost and funding associated with the proposals
- Section 7 outlines the timetable for the new SHNZS

¹⁶ Applications for grant funding through the Affordable Housing Supply Programme from 1 December 2023 should contain homes that have clean heating systems – unless there are compelling reasons why the grant applicant considers that this would not be appropriate, or where a valid building warrant is already in place prior to that date.

2. Principles of a New Standard

2.0.1 We believe that a new standard for social housing must:

- **Be compatible with and enable progress towards net zero targets.**
- **Be compatible with Scotland’s fuel poverty targets.**¹⁷ The Scottish Government is committed to ending fuel poverty. Our vision is for everyone to have a warm, safe home that they can afford and which meets their needs in a place where they want to live.
- **Be compatible and consistent with our proposals for other domestic buildings.** The proposals outlined in the consultation on plans for a Heat in Buildings Bill will not apply to social rented housing because the latter is already regulated through the Scottish Social Housing Charter. However, the standards in different tenures must support each other in delivering the same outcomes.
- **Support a just transition.** Embedding the principle of a just transition to net zero in the social housing sector is a key recommendation of the Zero Emission Social Housing Taskforce (ZEST)¹⁸ and is set out in the terms of reference of the EESSH2 review group¹⁹. A just transition will mean, as a minimum, that the costs of working towards meeting climate targets do not fall disproportionately on tenants, but also that we do not accept leaving some people in housing that is hard to heat.
- **Set a timescale for meeting the SHNZS which recognises the pressures on social landlords.** These pressures include the challenge of meeting a standard for mixed tenure properties, the impact of the pandemic and pressure on rent increases. The transition away from gas and other polluting heating systems in social housing must be affordable.
- **Support the Scottish Government’s heat network targets.** Heat networks generate heat and use a network of pipes to supply it to nearby homes, businesses, and public buildings. The heat can be generated in different ways, depending on the resources and assets available in the area.

¹⁷ [Tackling Fuel Poverty in Scotland: A Strategic Approach](#)

¹⁸ [Achieving net zero in social housing: ZEST Report, Recommendation 1](#)

¹⁹ [Energy Efficiency Standard for Social Housing Review Group: terms of reference](#)

- **Take a realistic view of the whole system costs.** Funding support for the SHNZS should take account of more than just the costs of installation. It should recognise the need for ventilation, ongoing maintenance and address unintended impacts.
- **Address concerns about the Standard Assessment Procedure as the underlying methodology for a new metric,** noted in the consultation on EPC reform²⁰, and in the EESSH2 guidance²¹.
- **Provide flexibility for specific circumstances while still requiring action.** Where a standard allows for exemptions for difficult cases, there needs to be an absolute minimum standard, a backstop date after which property that cannot meet that standard cannot be let to new tenants.

²⁰ [Domestic Energy Performance Certificates \(EPC\) reform: consultation - Section 3 and 4](#)

²¹ [EESH Guidance for Social Landlords - Section 5](#)

3. The Proposed Standard

3.1 Overview

3.1.1 Our proposal for the new SHNZS is set out in the following box. This proposal has been co-developed as part of the review of EESSH2 and is consistent with plans for the wider housing stock as set out in the planned consultation on proposals for a Heat in Buildings Bill.

The proposed SHNZS (to replace EESSH2) includes the following:

- A fabric efficiency rating (which focuses on the amount of energy for heat consumed by a property) measured in kWh/m²/year [level and date TBC – see *Section 3.2*]
- A requirement to replace polluting heating systems with a clean heating alternative by a backstop date of 2045 [interim targets TBC – see *Section 3.4*]

We would be grateful for views on possible additional requirements to:

- Ensure good air quality - see *Section 3.3*
- Prevent a property which can't meet a minimum fabric efficiency standard by a certain date being relet after that date - see *Section 3.2*

The standard should be designed to enable²²:

- Discretion for landlords to determine in practice what is best for their housing stock, taking account of what is cost-effective, the views of tenants and the need to report on performance to the Scottish Housing Regulator;
- Variations to the ways in which the SHNZS and targets are to be met, in line with guidance issued by the Scottish Government. This might be achieved by either setting a lower performance target or a longer timescale for compliance in buildings that present additional challenges, including housing in remote and island areas, and historic buildings.

3.1.2 In addition, there are proposed interim targets set out in this consultation that have been developed in an attempt to set a minimum level which is broadly equivalent to what will be required in other Scottish homes, but with a more challenging aspiration target where it is possible and reasonable to go beyond that (see Sections 3.2 and 3.4). This supports the fabric first approach for which the sector has been calling, and helps align the new SHNZS to our fuel poverty targets, and should in turn help to reduce energy demand and bills.

²² It should be noted that the clean heating system will always be subject to the backstop date of 2045 to align with wider Scottish Government policy.

3.1.3 Meeting our net zero target will be helped by an approach that supports and enables the ability of the various supply chains to respond. This is why we have presented options here which we believe can encourage action to install clean heating in a phased way, with activity and investment taking place gradually as we move towards the 2045 backstop.

3.1.4 We know too that an outcome which requires people to make changes of this kind will depend on there being a sufficiently sized pool of reliable and skilled tradespeople and businesses who could advise upon and install the required systems and improvements. Our Heat in Buildings Supply Chain Delivery Plan²³, published in November 2022, recognises the key role that Government can play in this by sending the market signals about its intentions to which businesses across the supply chain could then respond.

²³ [The Heat in Buildings Supply Chains Delivery Plan](#)

3.2 A Fabric Efficiency Rating - Options for Consultation

3.2.1 Making our homes and buildings more energy efficient will help reduce energy demand and result in homes that are warmer and easier to heat. Energy efficiency improvements are also often important to ensure that some clean heating systems work as effectively and efficiently as possible. We would welcome views on the two options proposed below.

3.2.2 These options are not EPC based targets. The metrics currently shown on EPCs do not solely reflect the energy efficiency of the building fabric, and so do not drive the fabric energy efficiency improvements that are key to improving our housing stock. To address this, we propose to introduce a metric to reflect the fabric of the home, namely the fabric efficiency rating. This is primarily intended to support any future fabric energy efficiency standards. This would provide a clear rating of the dwelling's fabric efficiency.

3.2.3 Our review of EESSH2 explored an alternative to an EPC based target. This was the Fabric Metric²⁴ proposed by the Climate Change Committee (CCC) as part of its recommendations on domestic EPC reform²⁵, and which would be measured in kWh/m²/year. The 'fabric metric' will be referred to as 'fabric efficiency rating' throughout this consultation document.

Option 1

3.2.4 The EESSH2 review group expressed an interest in seeing a target set as a range. We have therefore explored setting the target range of fabric energy efficiency as either:

- 112 – 162 kWh/m²/year (space heating and domestic hot water [DHW] demand); or
- 71 – 120 kWh/m²/year (space heating demand)

These ranges are in line with options developed for metrics for a) fabric only and b) fabric and domestic hot water (DHW), and upon which the Scottish Government has recently consulted²⁶. The figures shown are based on the current EPC equivalent between B and C.

3.2.5 In line with the EPC reform consultation (and noted in the section below) we propose that the target is based on space heating demand only – i.e. it won't include the energy that tenants use for cooking, or for powering electrical devices unrelated

²⁴ Space heating demand intensity (kWh/m²/yr). This metric provides a clear indication of the underlying fabric efficiency of a home (excluding the impact of heating system choice). It accurately incentivises improvements to fabric efficiency when targeted by policy, and can be used to assess actual performance of existing building fabric and any improvements made.

²⁵ [CCC Letter: Reform of domestic EPC rating metrics to Patrick Harvie MSP](#)

²⁶ [Energy Performance Certificate \(EPC\) reform: consultation](#) The consultation paper stated: *while we recognise the benefits of including hot water demand, our proposal is that it should not be included in the fabric rating. This would ensure that the fabric rating has a clear meaning and role, and is not unexpectedly influenced by non-fabric changes.*

to heat etc²⁷. This would ensure that the fabric efficiency rating has a clear meaning and role, and is not unexpectedly influenced by non-fabric changes.

3.2.6 The proposal to use a target range was suggested to allow harder to treat properties to meet the lower end of the range (i.e. 120 kWh/m²/year), with those better able to do so aiming for the higher end (i.e. 71 kWh/m²/year).

3.2.7 An obvious issue in setting the target in this way is that the lower end of the range (i.e. 120kWh/m²/year) arguably becomes the de facto target since attaining that level would signify compliance and leave no real incentive to reduce energy demand further towards the higher end of the range (i.e. 71kWh/m²/year). It might also be difficult to incentivise those already at EPC C equivalent to progress to a better performance level.

3.2.8 The target in this option would need to be met by 2033, so that it is compatible with both our Fuel Poverty targets, where technically feasible and cost effective.

Option 2

3.2.9 An alternative approach would be to introduce a two-stage target for improving energy efficiency. This would encourage progress towards a good level of energy efficiency by an initial backstop date, but with an additional requirement to meet a higher standard at a later date.

For example:

- All homes to reach an EPC C equivalent level of fabric efficiency rating (71-120kWh/m²/year) by 2033 (which would be consistent with the date for owner-occupied houses) and
- A second, more demanding level (an EPC B equivalent level of fabric efficiency rating (71kWh/m²/year or better), by a second backstop date (2040)

This approach reflects the ambition in the fuel poverty strategy of achieving EPC C equivalent by 2033 and then EPC B by 2040, where technically feasible and cost effective.

3.2.10 An arguable drawback of this approach may be that it creates a potential incentive to stagger the required upgrades when it might be better and more cost-effective to do all works at once. However, where that is the case, then it would still be within the gift (and the interest) of the landlord to reach the higher standard by the earlier date.

²⁷ We suggest that when transitioning to an electrical heat solution that the best outcome is that gas is disconnected so that standing charges are no longer incurred.

Consultation Questions: Questions on a Fabric Efficiency Rating

1. To what extent do you support the use of a fabric efficiency rating, based on heat demand, in the SHNZS?

Strongly support – Somewhat support – Neither support nor oppose – Somewhat oppose – Strongly oppose – Don't know.

Please include any additional comments below.

.....Free text box.

2. Of the options presented for the fabric efficiency rating, which one do you support for the new SHNZS?

.....Free text box.

3. Are there additional options for the fabric efficiency rating that you think should be included? If yes, please describe these here:

.....Free text box.

Measuring performance

3.2.11 We recognise the potential benefits of using actual performance – that is, an accurate measure of the actual energy used to meet heat demand in a home – rather than an estimate which is generated by modelling. This would help to address some concerns about the performance gap between assessment and the real life behaviour of buildings. However, it would also add a layer of complexity to investment decisions because actual performance will not be known until a project is completed.

3.2.12 Factors such as the number of people living in the home and tenant behaviour will affect actual energy performance. Stakeholders have also raised concerns that it would be unrealistic to expect landlords to measure actual performance data in each and every property.

3.2.13 Therefore, and to ensure a level playing field, we continue to propose that the fabric rating is measured using modelled performance and using SAP^{28 29}.

3.2.14 It remains possible that an option allowing measurement of actual performance via a method to be agreed could be explored and established –

²⁸ The Standard Assessment Procedure (SAP) is the UK Government's National Calculation Methodology for assessing the energy performance of dwellings. It is used to facilitate various national, devolved and local government policies including Building Regulations and for the production of Energy Performance Certificates (EPCs).

²⁹ As noted in the EPC reform consultation, a major update to the SAP and RdSAP methodologies is under development by the UK Government, which will address many of the concerns stakeholders have raised about the accuracy of SAP. The launch of SAP 11 is expected to be in 2025.

potentially enabling a way of providing evidence in the case of exemptions, for example. The SHNZS can be kept under review in a way that keeps it open to such an option being used in the future.

Consultation Questions: Questions on Measuring Performance

4. What, if any, are your views on how performance against the fabric efficiency rating should be measured?

.....Free text box.

Minimum Fabric Efficiency Standard

3.2.15 The fabric efficiency part of the SHNZS may not be achievable for all parts of the social rented stock. For instance, it may be more challenging for landlords with harder to treat traditional properties, or tenement stock where remaining energy efficiency improvements may be more limited.

3.2.16 This is why we would like seek views on the retention of a minimum standard³⁰, which could be met by installing a 'List of Measures'. This is consistent with the proposals in the HiB Bill consultation for the Private Rented Sector.

3.2.17 This would require social landlords to install as many of the listed measures as is technically feasible and cost effective for a property. The measures would be listed in the guidance for compliance with the SHNZS, and potentially include measures such as:

- 270 mm loft insulation
- cavity wall insulation
- draught proofing
- heating controls
- 80 mm hot water cylinder insulation
- suspended floor insulation.

3.2.18 We propose that social housing cannot be relet if the minimum fabric efficiency standard is not met by 2028 – although there may be situations where temporary exemptions would continue to apply (see section 3.5).

3.2.19 We would be grateful for views on the proposal that social housing which can't be brought up to the minimum fabric efficiency standard by 2028, and that is not subject to temporary exemptions, should not be relet to social tenants. The purpose of this is to ensure, as far as possible, warmer homes and lower bills for all social tenants. However, we recognise the associated risk that stock which can't meet this fabric efficiency standard may be lost from the social rented sector at a time when more stock is needed.

³⁰ EESSH2 included a minimum standard to prevent social housing being relet after 2025 if their energy efficiency performance is below EPC D.

Consultation Questions: Minimum Fabric Efficiency Standard

5. What are your views, if any, on the proposal for a minimum fabric efficiency standard?

.....Free text box.

6. What, if any, are your views on whether homes should not be relet if they cannot meet a minimum fabric efficiency standard?

.....Free text box.

3.3 Additional Requirements

Air Quality

3.3.1 Air quality is a key health issue affecting people, homes and energy efficiency. While improvements in energy efficiency can lead to improvements in health outcomes, particularly for older people, young children, and those with respiratory and other chronic health conditions, there is the potential for unintended consequences adversely affecting the air quality in a home.

3.3.2 Where energy efficiency improvements increase the air tightness of a building, monitoring air quality can have an important role in preventing unintended consequences. Where such a risk exists, landlords should also consider the need for Mechanical Ventilation with Heat Recovery (MVHR).

3.3.3 We therefore propose that landlords should be required to devise a ventilation and monitoring strategy to accompany energy efficiency interventions in cases where mechanical ventilation isn't installed.

Consultation Questions: Additional Requirements

7. What, if any, are your views on whether ventilation and monitoring strategies should be required where MVHR is not installed?

.....Free text box.

3.4 Clean Heating – Options for Consultation

3.4.1 We know that better insulation and other energy efficiency measures – where those improvements are possible – are a priority, but they will not be enough on their own to achieve net zero. We can only eliminate all emissions from heat by replacing polluting heating systems, which run on gas, oil (and other fossil fuel heating systems)³¹. These systems are used to heat approximately 80% of the social housing stock, which relies heavily on gas as its primary heating fuel.

3.4.2 We need to change these to clean heating systems, like electric heat pumps and district or communal heat networks in our buildings to reach net zero. Certain types of clean heating systems are more efficient than others, which is useful for social housing landlords to bear in mind as they consider and reach decisions about alternatives to their existing system.

3.4.3 This is important because a more efficient system uses less energy to deliver the same amount of heating or cooling as a less efficient system. This affects how much it costs to run and has implications for the wider energy system (for example, the amount of extra electricity needed to heat homes).

Proposal

3.4.4 We propose to require the installation of a clean heating system in social homes by a backstop date of 2045, in line with published Scottish Government policy and our consultation on proposals for a HiB Bill.

3.4.5 Encouraging Local Authorities and (RSLs) to act quickly rather than waiting until close to 2045 to undertake works will spread the investment and supply chain activity across a longer and more manageable period.

3.4.6 We are therefore seeking views on options for interim targets or milestones for the sector in order to phase in the required progress and investment in clean heating. We have identified the following options:

3.4.7 **Option 1** – milestones which would require proportions of each landlords' stock to have had clean heating installed by target dates,

For example: 10% by 2030; 70% by 2040; 100% by 2045 (illustrative figures).

3.4.8 **Option 2** – an interim target for properties off-gas, or using other fossil fuels.

There are approximately 124,000 SRS homes – or ~20% of the Scottish social rented sector – using electricity, oil, communal heating³², or solid mineral fuel as their primary heating fuel.

³¹ “Bioenergy” heating systems, e.g. those which use wood chips or other types of biomass or bioliquid (such as hydrotreated vegetable oil) also produce emissions when used to heat our homes – although there will be circumstances where these remain permissible.

³² Based on 2018 Heat Network Meter and Billing Regulations (HNMBR) data, the primary fuel source is natural gas for the large majority of communal heating.

3.4.9 To provide an example, the target under option 2 might require landlords' stock in off-gas areas to convert to clean heating systems by 2030. However, we know that rural and remote homes are more likely to be off-gas, and that these will have specific issues, costs or other circumstances that may require some additional time to make the transition. We intend to make sure that such flexibility exists and is applied in such circumstances.

Heat Networks

3.4.10 The mains gas network supplies the vast majority of Scotland's social rented sector. In future, there will be a greater variety of heating systems in our homes, with the potential for local outcomes that are determined by the circumstances and assets in a particular area. Heat networks are a good example of localised heating solutions; they generate heat and use a network of pipes to supply it to nearby homes, businesses, and public buildings.

3.4.11 Heat networks can play a significant role in decarbonising the social rented sector and in certain circumstances social housing can play a vital role in providing the heat demand needed to secure investment in new heat network development. Given this, and the Scottish Government's wider heat networks targets, we propose that the SHNZS set a requirement for heat network connections to be mandatory under certain circumstances.

3.4.12 For instance, where housing stock not already using a clean heating system is offered a connection at a reasonable cost, and where there is sufficient capacity in the network to accommodate the housing. What is considered a 'reasonable cost' would be subject to further analysis and engagement, but would include comparison with alternative clean heating systems.

Consultation Questions: Clean Heating

8. To what extent do you support the requirement to install a clean heating system by 2045)?

Strongly support – Somewhat support – Neither support nor oppose – Somewhat oppose – Strongly oppose – Don't know.

Please include any additional comments below.

.....Free text box.

9. Of the options presented for the interim targets, which one do you support for the SHNZS?

.....Free text box.

10. What are your views on whether neighbouring landlords could work together to reach such a target on a regional basis?

.....Free text box.

11. Are there any additional options for interim targets that you think should be included? If yes, please describe these here:

.....Free text box.

12. To what extent do you support the requirement for mandatory connections to heat networks under certain circumstances?

Strongly support – Somewhat support – Neither support nor oppose – Somewhat oppose – Strongly oppose – Don't know.

Please include any additional comments below.

.....Free text box.

3.5 Exemptions to the SHNZS

3.5.1 The experience of delivering EESSH1 and EESSH2 shows that landlords need to be able to make decisions based on what is best for their houses and tenants. This is because landlords also have a duty to communicate and explain their decisions to their tenants, while their overall performance is monitored by the Scottish Housing Regulator.

3.5.2 Ideally, the SHNZS would apply in the same way to all homes. However, we recognise that some buildings will face additional costs and other difficulties which mean that more time is needed before they are able to comply. In prescribed circumstances, landlords can report temporary exemptions for properties that can't meet the SHNZS.

3.5.3 We believe that an exemption to meeting the SHNZS may be appropriate under the following circumstances:

- **Social:** An exemption may be appropriate in circumstances where social landlords share buildings with other tenures, tenants or owner occupiers may refuse to participate in the installation of energy efficiency and heat upgrade works necessary to achieve the SHNZS by the target date. This situation can also arise in mixed tenure properties if owners are unwilling or unable to contribute to the cost of common works. In such instances the landlord must have made every reasonable effort to inform and explain to the tenant or owner occupier why the work is necessary, when it is being done, and why their participation and co-operation is so important. Landlords should also review the exemption when the property becomes vacant or owners move.
- **Heat network:** If the building(s) are within a designated Heat Network Zone, and have been notified of this, then they will be exempt if they commit to meet the SHNZS by connecting to a network by 2045. This will preserve the business case for a new heat network development by ensuring that buildings which are likely to connect are not forced to adopt another system before time. In a case like this the fabric efficiency rating part of the SHNZS will still need to be met. Additionally, the time limit to this exemption ensures that the transition to clean heating still occurs by 2045 should a heat network not be developed in time to meet the 2045 clean heating standard.
- **Legal:** There may be legal issues which need to be considered and addressed when embarking on a programme of energy efficiency, and heat upgrade works. If the necessary work required to achieve the SHNZS cannot be carried out legally or may be subject to a delay while these issues are resolved, then there are likely to be grounds for either an exemption or the granting of additional time.
- **Disposal:** In circumstances where a social landlord plans to dispose of a property through demolition or sale on the open market, and this has been formally agreed through the landlord's relevant governance arrangements,

then the property will be exempt from the requirement to achieve the standard.

- Long term void: If landlords are aware of any properties which will be void for a long period of time, and energy efficiency and heat upgrade investment would not be appropriate, then the property should be considered exempt from the requirement to achieve the standard until that is no longer the case.

3.5.4 These exemptions do not in any way absolve landlords from their responsibilities to their tenants regarding the minimum fabric efficiency standard.

Consultation Questions: Exemptions

13. To what extent do you support the need for landlords to have an element of discretion to ensure measures are cost effective and in the best interest of tenants?

Strongly support – Somewhat support – Neither support nor oppose – Somewhat oppose – Strongly oppose – Don't know.

Please include any additional comments below.

.....Free text box.

14. What, if any, are your views on whether targets should be varied by guidance from the Scottish Government in specific circumstances?

.....Free text box.

4. Applying the SHNZS to Mixed Tenure Housing

4.1.1 Existing work by local authorities on heat networks and Local Heat and Energy Efficiency Strategies³³ is already considering routes to decarbonise heating for flats and tenements.

4.1.2 Around 54% of social rented homes are flats³⁴, a figure which is higher for RSLs (62% flats) than local authorities (49%)³⁵. Many flats are in buildings where the social landlord is only one owner among others, including private landlords and owner occupiers. As outlined in Section 3.5 on Exemptions, one of the barriers social landlords face is cooperation between owners to carry out common works. Common works to improve houses usually require the consent of all the owners, though work to install insulation can often be done by a majority decision³⁶.

4.1.3 There are longstanding concerns about the challenges of undertaking communal work in flats and tenements, where there can be a mix of owners and tenures. These issues have been considered by the Parliamentary Working Group on Tenement Maintenance and the reformed Tenement Working Group³⁷ ³⁸. The independently chaired Tenements Short Life Working Group, including representatives from a variety of local authorities, has also looked at the challenges faced in undertaking work in flats and tenements. Their Final Report has been published and we welcome views on its recommendations.

4.1.4 To date, major retrofit work for whole blocks of flats and tenements has tended to be led by local authorities and RSLs, as a sole or majority owner. The Tenements (Scotland) Act 2004 improved the position in relation to the undertaking of communal work to flats and tenements. However, we recognise that further legislative improvements may be required so that flats and tenements in mixed tenure or mixed ownership blocks can be routinely maintained to a good standard and appropriate improvements can be undertaken.

4.1.5 The Scottish Government already provides advice and funding to owner occupiers and the private rented sector (PRS), to improve their energy efficiency and decarbonise heating. We are also interested in better understanding the work undertaken and challenges faced by owner occupiers and PRS landlords with communal works.

4.1.6 In order to support all owners of flats and tenements we are undertaking a range of work including:

- work to develop a whole building assessment methodology which would look at energy efficiency and clean heating options as block assets. This could

³³ [Local heat and energy efficiency strategies and delivery plans: guidance](#)

³⁴ [Scottish Household Survey Data Explorer - Table 3](#)

³⁵ [Scottish household survey 2019 - Annual Report: Section 3](#)

³⁶ [Missing shares powers guidance for RSLs - Paragraph 17](#)

³⁷ [Scottish Parliamentary Working Group on Tenement Maintenance](#)

³⁸ [Tenement Working Group - Built Environment Forum Scotland](#)

provide options for different clean heating system types and their suitability for individual flat and communal block asset solutions.

- Inviting the Scottish Law Commission to develop proposals for compulsory owner associations³⁹.

4.1.7 In relation to other tenures, namely the owner occupier sector and the PRS, Annex B sets out proposals in the planned HiB Bill consultation.

4.1.8 Taking account of the fact that there are many flats and tenements where there is not a sole or majority owner, the Tenements Short Life Working Group Final Report recommended that a phased approach be taken. This would require work on the energy efficiency of individual premises in the first phase, and work on energy efficiency measures and clean heating options across a variety of individual homes required in a second phase. This would allow time for any improvements to the legislation around communal repairs and development of assessment methodologies that cover whole buildings.

Consultation Questions: Mixed Tenure Housing

15. To what extent do you agree that the new SHNZS should apply to mixed tenure properties?

Strongly agree – Somewhat agree – Neither agree nor disagree – Somewhat disagree – Strongly disagree – Don't know.

Please include any additional comments below

.....Free text box.

16. Do you agree that for some blocks where the local authority or RSL is not a sole or majority owner, then a phased approach to retrofit work should be undertaken?

Strongly agree – Somewhat agree – Neither agree nor disagree – Somewhat disagree – Strongly disagree – Don't know.

Please include any additional comments below.

.....Free text box.

³⁹ [Scottish Law Commission, Tenement law: compulsory owners' associations](#)

5. Applying the SHNZS to Gypsy/Traveller Sites

5.1.1 The EESSH2 Review Group recommended that the new SHNZS should be extended to Gypsy/Traveller accommodation.

5.1.2 Public sector Gypsy/Traveller sites often provide a long-term home for residents. The amenity block typically consists of a kitchen, bathroom and small entrance hallway. In some cases there is also a living space where families can eat together. Construction varies with older units being breeze block or brick built.

5.1.3 These blocks are all post 1980 and built to meet non-domestic building standards. A small number of sites have chalets/mobile homes with sleeping accommodation. Some are poorly insulated, with consequent mould and damp problems.

5.1.4 Feedback from residents is that sites need amenity blocks with warm living space suitable for use throughout the day. Existing heating is often expensive LPG and storage heaters⁴⁰. Overall heating costs are increased because residents have to heat both their sleeping accommodation and the amenity block.

5.1.5 The SHQS and EESSH standards did not apply to amenity blocks because the scope was defined in terms of self-contained accommodation. There are existing energy efficiency targets for amenity blocks, but these are low (EPC band E)⁴¹, and in practice it is hard to measure performance for buildings that don't match traditional domestic use.

5.1.6 Gypsy/Travellers have poorer outcomes than the settled population across a range of outcomes such as health (including life expectancy), education and employment⁴². The Scottish Government and COSLA's joint Action Plan, Improving the Lives of Scotland's Gypsy/Travellers, published in 2019, committed to more and better accommodation for people who use the sites provided by local authorities⁴³. The Scottish Government's Gypsy/Traveller Accommodation Fund is providing up to £20 million in 2021-26 to develop a number of sites as demonstration projects, including consideration of energy efficiency and decarbonisation. The aim is to seek parity with social housing where this can be achieved and to apply the principles of Housing to 2040 to Gypsy/Traveller accommodation.

⁴⁰ [Interim Gypsy/Traveller site design guide](#)

⁴¹ [Improving Gypsy/Traveller sites: guidance on minimum sites standards](#)

⁴² [Gypsy/Travellers in Scotland - A Comprehensive Analysis of the 2011 Census](#)

⁴³ [Improving the lives of Gypsy/Travellers: 2019-2021](#)

Consultation Question: Gypsy/Traveller Sites

17. To what extent do you agree that the new SHNZS should apply to Gypsy/traveller sites?

Strongly agree – Somewhat agree – Neither agree nor disagree – Somewhat disagree – Strongly disagree – Don't know.

Please include any additional comments below.

.....Free text box.

6. Cost and Funding

6.1 Cost Overview

6.1.1 The cost of meeting ESSH2 by 2032 was estimated at £3.4 to £3.7 billion in 2018⁴⁴, with a similar estimate, modelled for housing associations, made by Changeworks⁴⁵.

6.1.2 However, we know that costs have increased since this modelling was done and that a new net zero standard would require replacing polluting heating systems where those are still in place.

Table 2: Social homes: primary heating fuel

Primary Fuel	No. of homes ('000s)	Percentage of stock
Mains gas	509	80
Electricity	88	14
Oil	2	<1
Solid mineral fuel	6	1
Communal heating ⁴⁶	28	4

Source: SHCS Key Findings 2019: table 5 ⁴⁷

6.1.3 The social housing sector is heavily reliant on gas as a heating fuel. As outlined above, there are around 633,000 SRS dwellings in Scotland, of which 511,000 use gas or oil as their primary fuel.

6.1.4 Heat pumps and heat networks can be deployed in many areas and buildings as no- or low-regrets interventions to reduce direct emissions from buildings. The capital cost of a heat pump alone is estimated at under £7,000; however, there are additional costs associated with decommissioning and water/thermal storage, which on average cost an additional £2,000. Much of the Social Housing stock will also need energy efficiency upgrades if heat pumps are to run as efficiently as possible, which are estimated at an average of around £4,500. Therefore, the average total estimated cost to convert a home to highly efficient clean heating is estimated at around £14,000⁴⁸.

6.1.5 Assuming a cost per ASHP of approx. £9,000, this suggests a total capital cost of around £4.6 billion for clean heating.

6.1.6 SRS dwellings are typically already fairly energy efficient, with 56% at C or above (compared to ~45% of all stock)⁴⁹. Assuming an average cost of ~£4,500 per home to reach upgrade improve the energy efficiency, this suggests a total capital cost to upgrade of around £1.28 billion.

⁴⁴ [Consultation on the Energy Efficiency Standard for Social Housing - Page 18](#)

⁴⁵ [EESH2 - Research and Modelling for the Scottish Federation](#)

⁴⁶ Based on 2018 Heat Network Meter and Billing Regulations (HNMBR) data, the primary fuel source is natural gas for the large majority of communal heating.

⁴⁷ [Scottish house condition survey: 2019 key findings](#)

⁴⁸ [Development of trajectories for residential heat decarbonisation to inform the Sixth Carbon Budget \(Element Energy\) - Climate Change Committee](#)

⁴⁹ [Scottish house condition survey: 2019 key findings](#)

6.2 Support and Funding

6.2.1 While the steps required to comply with EESSH have never been fully funded by the Scottish Government, landlords are encouraged to make use of available funding sources. These currently include the Social Housing Net Zero Heat Fund (SHNZHF) and other SG schemes. While the current funding offer is set out below, future levels of available funding will depend on decisions at those times.

6.2.2 The SHNZHF launched in August 2020 with at least £200 million available to social landlords until 2026 to support the retrofit of their existing housing stock.

6.2.3 The fund has undergone a review to ensure that it continues to provide the best support to RSLs in their transition to net zero. This includes, based on feedback from the sector, the extension of “Fabric First” funding support until 2026 so that RSLs can continue to undertake projects that support more energy efficient homes.

6.2.4 The intervention rate for the installation of clean heating has also been increased to 60%, meaning that RSLs will benefit from a reduced match funding requirement.

6.2.5 Social housing in rural and island communities faces different challenges when delivering decarbonisation projects, which is why the fund now includes grant uplifts. For projects in rural areas, grant funding will be increased by 11% and in remote areas by 22%. Rural and remote areas can be identified using the 6 Fold Scottish Government classification⁵⁰.

6.2.6 In 2023 we launched the Social Housing Net Zero Development Fund - designed to support the social housing sector with applications that can be completed by 31 March 2024. This £250,000 fund supported a range of development activities including feasibility studies, research, stock analysis and pre-capital support to support future capital bids to the SHNZHF. Although this fund is now closed to new applications we will continue to consider options for supporting the social housing sector plan and develop a pipeline of projects to decarbonise their housing stock in future financial years.

6.2.7 Our £300 million Heat Network Fund makes capital grant funding available to public and private sector organisations to support the roll out of zero emission heat networks across Scotland, and which we believe can play a significant role in enabling a large proportion of the social housing stock to convert to clean heating.

6.2.8 We have also established a Green Heat Finance Taskforce to explore ways to encourage a greater flow of private finance, complementing that available through the wider public sector, and which is designed to help property owners access the necessary investment in a form which works best for their individual circumstances.

⁵⁰ This distinguishes between urban, rural, and remote areas through six categories. See: [Scottish Government Urban Rural Classification 2020](#)

6.2.9 The Taskforce has brought social landlords and their representatives together with financial investors to discuss options for financing the transition of the existing social housing stock to net zero. The Taskforce's final report will be published in 2024 and will include consideration of financing options to enable social housing investment in clean heating solutions.

6.2.10 Retrofitting both energy efficiency measures and heating systems is challenging – both in terms of cost and disruption and requires relevant technical expertise and access to a skilled workforce. We will continue to work with social landlords to understand these challenges, and to explore and develop new ways to finance retrofit works, including the role of place-based or area-based delivery models.

6.2.11 Local authorities are developing Local Heat and Energy Efficiency Strategies (LHEES), which are long term plans for an entire local authority area to decarbonise heat and improve energy efficiency. LHEES will set out how each segment of the building stock needs to change to reach net zero and prioritise areas for the delivery. We would encourage social landlords to engage with local authorities as they develop and implement their LHEES.

7. Timetable for the SHNZS

7.1.1 This consultation will run from November 2023 to March 2024, following which the Scottish Government will commission an independent analysis of the feedback received. The EESSH2 Review Group will be asked to consider the final design of the proposed SHNZS based on the consultation and that analysis, ahead of the Scottish Government publishing its final response.

7.1.2 Once that final response is published, the Scottish Housing Regulator will engage with social landlords on the Charter indicators needed for reporting performance against the target. The Scottish Government will also publish guidance for landlords on compliance with the new SHNZS.

7.1.3 Charter indicators and guidance will be in place before landlords are asked to collect data for reporting purposes. Data collection will be aligned with landlord's business year (April to March).

7.1.4 Based on the anticipated timeline, we would expect that the new SHNZS is introduced in 2025 at the earliest.

Consultation Question: Timeline

18. What are your views on the timetable for introducing the new SHNZS?

Please include any additional comments below.

.....Free text box.

8. Other actions to be taken forward

8.1.1 The new SHNZS sets a target for social housing, but other action will be needed to ensure that it can be delivered effectively.

- Landlords surveys to understand options for stock
 - Social landlords should undertake stock condition surveys to assist in tracking previous retrofit measures and to assist with developing future retrofit solutions
 - The SHNZDF is in place to support activities like this that can be completed by 31 March 2024.

- Archetypes and pattern books
 - Research on developing key social housing archetypes has recently been published.⁵¹
 - The Scottish Government plans to work with the social housing sector in developing pattern book solutions for key archetypes, to be used as a resource for landlords
 - The Scottish Government will also publish and share case studies of social housing decarbonisation retrofit projects, including cost and carbon savings achieved and lessons learned

- Establish Net Zero Technical Steering Group
 - The Scottish Government plans to work with the social housing sector beyond the review of ESSH2 to provide guidance and clarity on technical solutions and share best practice across the sector

⁵¹ [Review of social housing archetypes to support ESSH2 review](#)

9. Review and Next Steps

We propose that the new SHNZS be monitored and reviewed to assess progress towards net zero, the cost of investment needed to meet the standard, and the aims of ensuring a just transition. We propose to carry out this review in 2029/30.

The Scottish Government will commission an independent report on responses to this consultation. We will reflect on this and publish a response setting out what we will do next.

The Scottish Housing Regulator (SHR), will have responsibility for monitoring social landlord's performance with SHNZS via the Annual Return on the Scottish Social Housing Charter.

Annex A: The Scottish Government consultation process

Consultation is an essential part of the policymaking process. It gives us the opportunity to consider your opinion and expertise on a proposed area of work. You can find all our consultations online: [Scottish Government consultations](#). Each consultation details the issues under consideration, as well as a way for you to give us your views, either online, by email or by post.

Responses will be analysed and used as part of the decision making process, along with a range of other available information and evidence. We will publish a report of this analysis for every consultation. Depending on the nature of the consultation exercise the responses received may:

- indicate the need for policy development or review
- inform the development of a particular policy
- help decisions to be made between alternative policy proposals
- be used to finalise legislation before it is implemented

While details of particular circumstances described in a response to a consultation exercise may usefully inform the policy process, consultation exercises cannot address individual concerns and comments, which should be directed to the relevant public body.

Please respond to this consultation using the Scottish Government's consultation hub, Citizen Space ([Scottish Government consultations](#)). You can save and return to your responses while the consultation is still open. Please ensure that consultation responses are submitted before the closing date.

If you are unable to respond using Citizen Space, please send your response, including the completed Respondent Information Form to:
socialhousingheatdecarb@gov.scot.

If you respond using the consultation hub, you will be directed to the About You page before submitting your response. Please indicate how you wish your response to be handled and, in particular, whether you are content for your response to be published. If you ask for your response not to be published, we will regard it as confidential, and we will treat it accordingly.

All respondents should be aware that the Scottish Government is subject to the provisions of the Freedom of Information (Scotland) Act 2002 and would therefore have to consider any request made to it under the Act for information relating to responses made to this consultation exercise.

If you are unable to respond via Citizen Space, please complete and return the Respondent Information Form included in this document.

To find out how we handle your personal data, please see our privacy policy: [Privacy](#)

Where respondents have given permission for their response to be made public, and after we have checked that they contain no potentially defamatory material, responses will be made available to the public at [Scottish Government consultations](#). If you use the consultation hub to respond, you will receive a copy of your response via email.

Following the closing date, all responses will be analysed and considered along with any other available evidence to help us. Responses will be published where we have been given permission to do so. An analysis report will also be made available.

If you have any comments about how this consultation exercise has been conducted, please send them to the contact address above or at socialhousingheatdecarb@gov.scot.

Respondent Information Form

Please Note this form **must** be completed and returned with your response.

To find out how we handle your personal data, please see our privacy policy:
<https://www.gov.scot/privacy/>

Are you responding as an individual or an organisation?

Individual

Organisation

Full name or organisation's name

Phone number

Address

Postcode

Email

The Scottish Government would like your permission to publish your consultation response. Please indicate your publishing preference:

- Publish response with name
- Publish response only (without name)
- Do not publish response

Information for organisations:

The option 'Publish response only (without name)' is available for individual respondents only. If this option is selected, the organisation name will still be published.

If you choose the option 'Do not publish response', your organisation name may still be listed as having responded to the consultation in, for example, the analysis report.

We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for the Scottish Government to contact you again in relation to this consultation exercise?

Yes

No

Annex B: Summary of proposals for domestic buildings, other than social housing

The consultation on Proposals for a Heat in Buildings Bill seeks views on a new statutory Heat in Buildings Standard which for privately owned homes would require:

- All privately rented homes to meet a minimum energy efficiency standard by the end of 2028;
- All other privately owned homes to meet a minimum energy efficiency standard by the end of 2033.
- The use of polluting heating systems to be prohibited by the end of 2045.

Minimum Energy Efficiency Standard

The consultation proposes that owners could meet the energy efficiency standard through installing a straightforward specified list of measures (like loft, wall or suspended floor insulation) that reduce the energy needed to heat the home. Any home that has installed these measures – or as many as are feasible for that property – would be considered to have reached a good level of energy efficiency and meet the standard.

As some people may have already undertaken work to improve the way their property uses energy or wish to make their own decisions on which measures are best for their home, the consultation also proposes an alternative option of meeting the standard based on the result of an EPC assessment. The addition of a new fabric metric to EPCs, which was recently consulted on, could be used to show that a property meets a good level of energy efficiency.

Any owner-occupied homes that had installed a clean heating system before the end of 2033 would not be required to meet the minimum energy efficiency standard as it would no longer be producing any emissions from its heating.

Prohibition on Polluting Heating

The consultation proposes that all privately owned properties would be prohibited from using polluting heating systems by 2045.

To drive uptake of clean heating before this date we are also proposing that those purchasing a property would be required to comply with the prohibition on polluting heating within a specified amount of time following completion of the sale. The consultation also proposes requiring buildings within a Heat Network Zone to end their use of polluting heating systems by a certain date, and with a minimum notice period.

Ensuring Fairness in the Standard

To ensure the standard is fair, proportionate and achievable for all households, the consultation also makes proposals and seeks views on exempting those who can't, or should not have to, meet the Heat in Buildings Standard. The proposals will also

provide extra time for those who need it to meet the Standard, or require that people comply with a modified version of the Standard which takes into account their building's characteristics or unique circumstances.

Annex C: Glossary of Terms and Acronyms

Annual Return on the Charter (ARC)	Annual return on the Scottish Social Housing Charter. Landlords must provide accurate information on the Charter indicators and contextual indicators to the Scottish Housing Regulator through their Annual Return on the Charter.
SHNZS	Social Housing Net Zero Standard
Direct Emission Heating System (DEHS)	A heating system that produces harmful gases into the atmosphere at the point of use within the building (direct greenhouse gas emissions), such as gas, oil and liquefied petroleum gas (LPG) boilers or burners, and bioenergy systems. Also called “polluting heating” for short, throughout this document.
Domestic Hot Water (DHW)	Potable water heated for uses other than space heating.
Domestic Property	A home, whether that is a house, flat or other. This includes owner-occupied homes, empty residential properties, private rented homes, holiday homes and short-term lets. We will develop details of regulations and how best to treat and categorise specific sectors and property types, including mobile residential homes and homes on agricultural tenancies.
Energy Performance Certificate (EPC)	A document which records the estimated energy performance of a building, as well as the main heating system(s) used within it. EPCs are a legal requirement whenever a home or non-domestic building is advertised for sale or let.
Heat in Buildings Strategy	This Strategy outlines the steps we will take to reduce greenhouse gas emissions from Scotland’s homes, workplaces and community buildings and to ensure that we remove poor energy performance as a driver of fuel poverty.
Heat network	Large systems of insulated pipes and heat generation supplying heat (in the form of hot water or steam) to homes and other premises, such as businesses and the public sector. They include both district and communal heating: a district heat network distributes heat from one or more sources to more than one building, while a communal heating system distributes heat to one building made up of several smaller dwellings or units. Depending on their fuel source, they can help reduce greenhouse gas emissions and in certain circumstances, can reduce energy bills and help to tackle fuel poverty.
Heat network zone	An area that a Council determines would be suitable for a heat network, having considered a range of factors.
Kilowatt hour (kWh)	A unit of energy equal to 1,000 watt hours

kWh/annum	Kilowatt hours per year
LHEES	<p>Local Heat and Energy Efficiency Strategy – documents that local authorities must produce by end-2023 and which set out the long-term heating system(s) that are thought to be most-suited in different areas.</p> <p>This will include identifying heat network opportunities, which may later become official Heat Network Zones.</p>
Main Heating System	The main heating system is that which heats the largest proportion of dwelling. It is a heating system which is not usually based on individual room heaters (although it can be), and often provides hot water as well as space heating. This definition is used within SAP ⁱ .
Net zero	<p>Net zero means that the total greenhouse gas emissions are equal to or less than the emissions removed from the environment.</p> <p>In practice, this can be achieved by a combination of emission reduction (for example, by installing clean heating systems) and emission removal (for example, by nature).</p>
SAP	Standard Assessment Procedure
RdSAP	Reduced Data Standard Assessment Procedure
SHR	Scottish Housing Regulator
SHQS	Social Housing Quality Standard
Scottish Social Housing Charter	The Scottish Social Housing Charter ('The Charter') helps to improve the quality and value of services provided by social landlords in Scotland. It sets the standards and outcomes that all social landlords should aim to achieve when performing their housing activities.
Watt hour (Wh)	A unit of energy (or work) equal to the energy of one watt operating for one hour, equivalent to 3600 joules
Zero Direct Emissions Heating (ZDEH)	<p>Heating systems such as individual heat pumps, or connection to a heat network, or electric systems such as storage heaters which release no harmful gases into the atmosphere (direct greenhouse gas emissions) at the point of use within the building.</p> <p>Also called 'clean heating' for short, throughout this document.</p>
ZEST	Zero Emissions Social Housing Taskforce

ⁱ [SAP](#)



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Any enquiries regarding this publication should be sent to us at

The Scottish Government
St Andrew's House
Edinburgh
EH1 3DG

ISBN: 978-1-83521-635-4 (web only)

Published by The Scottish Government, November 2023

Produced for The Scottish Government by APS Group Scotland, 21 Tennant Street, Edinburgh EH6 5NA
PPDAS1338662 (11/23)

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