

The Existing Homes Alliance Scotland

Evidence to Local Government, Housing and Planning Committee on draft Climate Change Plan

December 2025

Introduction

The Existing Homes Alliance is grateful for the opportunity to give evidence to the Local Government, Housing and Planning Committee as part of its scrutiny of the Draft Climate Change Plan (CCP).

While we welcome the ambition set out in the Draft CCP, we are concerned about the lack of new policy to deliver the scaling up of heating decarbonisation required to meet the new carbon budgets.

We welcome the commitment within the Draft Plan to prepare a heat decarbonisation strategy and Heat in Buildings Delivery Plan, however it must be recognised that early action to accelerate clean heat and energy efficiency installations is essential to catch up on the time lost as a result of slow progress throughout this last parliamentary term.

This written submission sets out clear and specific solutions that the EHA believes would strengthen the Plan in relation to decarbonising domestic buildings. It focuses on the areas that the Committee has asked that we focus on - advice and support, and skills and training.

However, to deliver scale of installations and retrofits needed, we will need the right mix of regulation, advice and support. Underpinning our recommendations in this submission is the need for greater leadership and certainty that must be delivered through early introduction of legislation to drive action.

The CCP should set out how the Scottish Government will provide leadership and certainty through regulation

The proposed regulations set out in the Draft CCP are not sufficient to drive the pace and scale of activity that will be required to decarbonise heating in most homes by 2045.

Since the publication of the Draft CCP, the Scottish Government has published the Draft Buildings (Heating and Energy Performance) and Heat Networks (Scotland) Bill. This draft Bill does not provide the leadership and certainty needed to drive the increased pace and scale of activity needed to meet emissions reductions targets.

The CCP should include a commitment to introduce clear regulations setting out expectations with a reasonable lead in time to give homeowners time to save and plan, and to give industry time to scale up, re-skill and train the workforce that will be needed over the next 10 to 20 years.

These regulations should include minimum energy efficiency standards for ALL homes, irrespective of tenure and current use, and triggers for switching from fossil fuel to clean heating to ensure a smooth and phased transition that is affordable and achievable.

Another regulatory gap in the Draft CCP is the absence of any reference to legislative changes that will be required to ensure that people in flats are not left behind in the transition.

The CCP should commit to introducing legislation that makes it easier for flat owners to work together to carry out improvements, including compulsory owners' associations, building reserve funds and five yearly maintenance inspections. Alongside these changes, funding programmes must be flexible enough so that they can work across tenures, to break down barriers and unlock investment in tenements and mixed tenure communities.

The CCP should signal how access to advice and support will be expanded

The Draft CCP suggests that the future strategy will be largely based on a continuation of the current approach which is delivered through Home Energy Scotland (HES) Advice Service, Warmer Homes Scotland (WHS), Area Based Schemes (ABS), Social Housing Net Zero Heat Fund (SHNZHF) and HES Grant and Loan.

These schemes provide an excellent foundation on which to build, however the advice and support available to homeowners must be scaled up and the customer journey streamlined so that investing in clean heat and energy efficiency is an affordable, achievable and attractive option for all.

Although for many households the transition to clean heating and energy efficient homes will be relatively straight forward, for others it will be more complex. Households in fuel poverty can access end to end support through Warmer Homes Scotland and Area Based Schemes, however there are gaps in the advice and support provision for those deemed to be "able to pay".

HES, the national advice service, provides a range of free to access support and advice services and engages with almost 100,000 households every year. For many households, this level of support is sufficient.

However, demand for advice and support services will increase in the years ahead, and some homeowners may want or need more in-depth support than HES has capacity to offer.

We believe that HES should be at the heart of advice and support services in the future, acting as a first port of call for many customers as they begin their journey to an energy efficient home, warmed with clean heating.

The CCP should include a commitment to invest in strengthening HES to ensure it can deal with increased demand, through digitisation of services, whilst ensuring that those who need it can have in-person support.

For those who want or need more in-depth support, we believe that HES should be enabled to signpost homeowners to trusted one stop shops or retrofit agencies operating in their area to provide support with planning, coordination and project management.

These services are beginning to emerge in Scotland (for example [EcoCosi](#) and [Loco Home Retrofit](#)), providing people-centred, holistic retrofit services. They also perform a critical role in helping to build local supply chains – creating jobs and training opportunities.

One of the main barriers holding back the growth of these kinds of services is a lack of a clear pipeline of demand. If climate change targets are to be met, regulation will be required to drive the scale of action required. To meet these regulatory requirements, some households will need or want more support than is currently offered by HES. Therefore, by introducing legislation that drives retrofit action amongst homeowners and private landlords, the Scottish Government would provide policy certainty and enable the expansion of the services that will help people to deliver the emissions reductions required to meet Scotland's climate change targets.

The Heat in Buildings Delivery Plan must set out how the Scottish Government will drive the changes needed to ensure that everyone, irrespective of where they live, is able to access the support they need to help them upgrade their home. In particular, the Scottish Government should:

1. Develop signposting mechanisms from Home Energy Scotland to trusted retrofit agencies;
2. Create a Retrofit Agency Quality Assurance Framework and central register, building on existing standards;
3. Make retrofit assessments and coordination allowable costs for Home Energy Scotland grants and loans; and
4. Support local authorities to pilot delivery models, enabling retrofit agencies to become key partners in the delivery of Local Heat and Energy Efficiency Strategies.

Tackling fuel poverty should be at the heart of the CCP

The Draft CCP rightly emphasises the importance of tackling fuel poverty alongside emissions reductions. The CCP should include an explicit commitment that the costs of installing energy efficiency and clean heating must be fully funded for households in fuel poverty.

Scotland has an excellent opportunity to tackle fuel poverty while making significant progress on carbon emissions through scaling up Warmer Homes Scotland and the Area Based Schemes. These are effective schemes that have the capacity to grow, providing pipeline certainty to supply chains while tackling fuel poverty and cutting emissions.

The scaling up of these programmes should be a fundamental part of the CCP and the Heat in Buildings Delivery Plan.

This would deliver reduced fuel poverty, improved public health, and prepare the workforce and build the supply chains that will be needed over the next 20 years, creating jobs and economic opportunities across Scotland.

These programmes must also focus on significantly increasing the number of clean heating installations, and doing so in a way that ensures fuel poor households see tangible benefits – that means warmer, healthier homes and affordable heating.

This may require the installation of additional technologies such as solar PV and battery storage to help reduce energy bills, particularly until the UK Government acts to reform the energy market to reduce electricity prices but also to allow householders to benefit from flexibility/time of use tariffs to help keep bills lower.

These additional technologies must be funded through fuel poverty programmes to guarantee fuel poor households benefit from lower bills as well as warm, healthy homes.

The CCP should demonstrate how new financial support mechanisms will be supported

The Draft Plan references the Green Heat Finance Taskforce reports, recognising that one of the key barriers to the scaling up of private finance provision is a lack of consumer demand and a shortage of a delivery ready project pipeline for initiatives to upgrade groups of properties collectively.

The Draft Plan states that the Scottish Government will “respond to the Taskforce this year”, setting out “steps we will take to explore the potential to create a market for innovative financing approaches.”

We look forward to reading the Scottish Government’s response, when published. In its response, the Scottish Government must recognise its own role in creating that consumer demand and enabling the pipeline of projects.

The Scottish Government must provide the clarity and leadership necessary to stimulate the increase in private lending required. That means raising awareness of the need to switch to clean heating to help create consumer demand.

While research¹ shows that the whole life cost of heating a home with a heat pump should be no more expensive than a gas boiler, the upfront costs remain a barrier to some.

Scotland currently has effective fuel poverty programmes and a generous grant and loan scheme to support homeowners to meet the costs of works and the CCP should include a commitment to continue and expand funding of grants and loans through the Home Energy Scotland Grant and Loan Scheme.

However, the public purse cannot finance the transition to zero emissions heating on its own. The CCP should set out how the Scottish Government will explore other financial mechanisms and incentives to encourage and support action.

¹ Nesta, [How to make heat pumps more affordable](#), June 2024

That should include piloting property linked finance in partnership with local authorities, investors and green finance experts and considering how Land and Buildings Transaction Tax and Council Tax frameworks can be used to incentivise improvements.

In terms of creating a “delivery ready project pipeline of initiatives to upgrade groups of properties”, there is an opportunity to build on the ABS programme. The ABS model works well in many parts of the country, focussing currently on areas with high levels of fuel poverty. However, the approach could be scaled up to deliver mixed tenure projects across a broader range of areas. If combined with multi-year public funding, this would provide that pipeline certainty that could unlock private sector finance, as well as providing pipeline certainty to supply chains, encouraging them to invest in building skills in local communities.

The CCP should set out how the Scottish Government will raise awareness of the need to switch to clean heating

The Draft CCP identifies key “moments of change” that provide opportunities for homeowners to consider changing their heating – this includes the point of boiler replacement, renovations and moving home.

Switching heating at these points minimise disruption, as well as potentially allowing access to financing.

However, taking advantage of these “moments of change” requires that homeowners are already aware of their heating options and of the requirement that, at some point in the near future, they will be required to end their use of fossil fuel heating.

In order to achieve this, the Scottish Government must lead a far-reaching awareness raising campaign, based on a clear route map, so that consumers have sight of future requirements and can make informed decisions about when to make the switch to clean heating.

This is particularly important in relation to encouraging people to switch at the point of boiler replacement. Unless households are aware and already have an intention to switch to a heat pump when their current system needs replaced, there is a risk that they will opt for another gas boiler to avoid delays in installation and periods without heating.

To reduce this risk further, consideration should be given to how to support homeowners to switch at the point of boiler replacement, such as through the short-term provision of alternative heating systems where required.

The CCP should be clear on how businesses will be supported with training and skills

Scotland will need a scaled-up supply chain to meet the growing demand for energy efficiency and clean heating. SMEs, in particular micro-businesses, must be supported to upskill and retrain, so they can take advantage of opportunities right across the country – delivering local jobs and supporting local economies.

The Draft Plan includes a commitment to work in partnership with the industry and training providers to ensure the appropriate support and training provision are available and that the future training offer will be summarised in the new Heat in Buildings Strategy and Delivery Plan.

This new offer must seek to tackle the major barriers facing businesses from undertaking training.

At present, small businesses face a triple whammy of barriers to re-training and upskilling – the cost of training along with the cost of taking someone off the day job can mean costs are prohibitive for some. And for many, there is plenty of work out there, so there is no real incentive to take time out to retrain.

Another challenge is that compliance with the Installers Skills Matrix² (which was developed by the skills bodies for construction, heating and electrical, trade associations, Scottish colleges, skills agencies and other stakeholders) is currently “recommended”, rather than being a mandatory requirement for installers.

The next Scottish Government must take a strategic overview and focus on tackling the challenges and barriers to upskilling for heat and energy efficiency. There are lessons to be learned from the upskilling programmes for on and off-shore wind, as well as from the roll out of electric vehicles.

The Scottish Government should consider how the Installers Skills Matrix could be made a mandatory requirement over time. Not only would this create a more highly skilled workforce, but it would also help to address issues of consumer trust.

Alongside this, the Scottish Government should provide more appropriate support for small business with the costs of skilling up to meet the requirements, for example through training subsidies and increased apprenticeship funding. The Scottish Government should ensure that the training subsidy for switching plumbing and heating professionals from gas to heat pumps should be at least equivalent to the Heat Training Grant that is available in England.

Expanding Scotland’s fuel poverty and energy efficiency programmes would provide a visible pipeline of work so industry has the confidence to invest in scaling up to meet growing demand.

Conclusion

Decarbonising heating and improving the energy efficiency of homes is essential to meet Scotland’s climate targets. That will require the right combination of regulation, advice and support – including financial support. The draft CCP does not provide sufficient certainty that the required framework of regulation and support will be delivered.

² <https://esp-scotland.ac.uk/scottish-installer-skills-matrix/>

The CCP should be strengthened in the following ways:

- It should set out how the Scottish Government will provide leadership and certainty through regulation;
- It should signal how access to advice and support will be expanded;
- Tackling fuel poverty should be at the heart of the CCP;
- It should demonstrate how new financial support mechanisms will be supported;
- It should set out how the Scottish Government will raise awareness of the need to switch to clean heating; and
- It should be clear on how businesses will be supported with training and skills.

The Draft CCP is a good starting point, however without clear commitments on new policies to drive energy efficiency and clean heat installations, it will not succeed in delivering net zero by 2045.