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East Dunbartonshire Council

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**PLACE NEIGHBOURHOOD &
CORPORATE ASSETS
COMMITTEE**

THURSDAY, 25 JANUARY 2024

REFERENCE:

PNCA/005/23/NS

LEAD OFFICER:

**EXECUTIVE OFFICER - LAND PLANNING &
DEVELOPMENT**

CONTACT OFFICER:

NEIL SAMSON, ENVIRONMENTAL PLANNER

SUBJECT TITLE:

**SCOTTISH GOVERNMENT HEAT IN
BUILDINGS BILL CONSULTATION**

1.0 PURPOSE

1.1 The purpose of this Report is to outline the content of the Scottish Government Heat in Buildings Bill Consultation paper - "Delivering Net Zero for Scotland's Buildings: Changing the way we heat our homes and buildings"¹, provide a recommended response to the consultation, and outline the implications of the proposals for the emerging Local Heat and Energy Efficiency Strategy (LHEES) and the Council's estate.

2.0 RECOMMENDATIONS

It is recommended that the Place Neighbourhood & Corporate Assets Committee:

- 2.1** notes the proposed content of the Heat in Buildings Bill and possible implications for the Council; and
- 2.2** approves the Council's proposed consultation response, which is set out in Appendix 1.

HEATHER HOLLAND

EXECUTIVE OFFICER – LAND PLANNING AND DEVELOPMENT

¹ <https://www.gov.scot/publications/delivering-net-zero-scotlands-buildings-consultation-proposals-heat-buildings-bill/>

3.0 BACKGROUND/MAIN ISSUES

Relevant Legislation and Requirements

- 3.1** Scotland has a legal target to reach 'net zero' greenhouse gas emissions under the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019, which sets national targets to reach net zero by 2045, as well as to achieve a 75% reduction in emissions by 2030 and a 90% reduction in emissions by 2040.
- 3.2** The Heat in Buildings Bill will add to a range of existing Scottish Government legislation which is focused on heat decarbonisation which includes:
- The Local Heat and Energy Efficiency Strategies (Scotland) Order 2022, which requires local authorities to prepare a Local Heat and Energy Efficiency Strategy (LHEES) and Delivery Plan for their area setting out how each segment of the building stock needs to change to meet national and local objectives to reduce carbon emissions in addition to the removal of poor energy efficiency as a driver of fuel poverty.
 - The New Build Heat Standard which will be implemented through the Building (Scotland) Amendment Regulations 2023, and which will prohibit the use of direct emissions heating systems in new buildings from 1 April 2024.
 - The Heat Networks (Heat Network Zones and Building Assessment Reports) (Scotland) Regulations 2023, which includes a heat networks duty on local authorities to identify potential areas for Heat Network Zones (HNZs) through both the development of the LHEES and the production of a Heat Network Review Statement.
 - The requirements of the Heat Networks (Scotland) Act 2021, which includes the production of a statutory Heat Network Review Statement and Building Assessment Reports identifying the potential for each of the Council's buildings to be connected to a heat network.
- 3.3** The proposals set out in Energy Performance Certificate Reform Technical Note 2023, issue 146 aim to incentivise improved fabric of properties (such as insulation) and the adoption of non-polluting heating systems (such as heat pumps, heat networks and modern electric storage heaters). Since EPCs serve the dual function of providing basic information about the energy efficiency of a building and providing a metric against which government policies related to home energy, such as fuel poverty and decarbonisation can be measured, they are highly relevant to the Heat in Buildings Bill consultation.
- 3.4** This consultation is accompanied by a consultation on a proposed new Social Housing Net Zero Standard and a Monitoring and Evaluation Framework for Heat in Buildings. The Bill, Net Zero Standard and Monitoring and Evaluation Framework provide a proposed framework for the decarbonisation of heat in the Council's buildings and housing stock with proposed target dates for completion of the transition. This has considerable implications for the Council's Capital budget and for residents and businesses in East Dunbartonshire. While the response to the consultation is broadly supportive of the proposals for decarbonisation of heat, it also emphasises the need for adequate financial support to enable the targets to be met.

Summary of Proposals and Timeline

3.5 'Delivering Net Zero for Scotland's Buildings – Heat in Buildings Bill Consultation' (<https://www.gov.scot/publications/delivering-net-zero-scotlands-buildings-consultation-proposals-heat-buildings-bill/>) sets out proposals to introduce a draft Bill containing the powers to create a new 'Heat in Buildings Standard'. The proposals within the draft Bill and Standard are as follows:

- Prohibit the use of polluting heating systems in all buildings after 2045.
- As a pathway to 2045, require those purchasing a home or business premises to end their use of polluting heating systems within a fixed period following completion of sale or when a heat network connection is available in a Heat Network Zone.
- Introduce legislation requiring homeowners to make properties meet a reasonable² minimum energy efficiency standard by 2033.
- The private rental sector will be required to meet this minimum energy efficiency standard by 2028.

Direct emission heating systems would no longer be permitted as the main heating system in buildings or as a source of heat or hot water in domestic or non-domestic premises. Direct emission heating systems are those heating systems producing direct greenhouse gas emissions, such as oil, gas, LPG and bioenergy systems. Consideration is given in the consultation to flexibility to convert bioenergy heating systems to 'clean heating systems' such as heat pumps and heat networks that don't produce any greenhouse gas emissions at the point of use.

3.6 In addition to this, all buildings owned by a Scottish public authority will be required to use a clean heating system (systems that do not produce any greenhouse gas emissions when used) by the end of 2038. Other powers through the Heat in Buildings Bill are being considered to support the transition of the public sector, including:

- Placing a new duty on public sector organisations which would prevent them from replacing a polluting heating system with another (unless impractical); and/or
- Creating a new duty for each public body to develop and implement a plan to decarbonise their buildings; and/or
- Placing a new statutory reporting duty on public sector organisations to demonstrate progress towards their 2038 objective (with the potential for the 2038 target then to be non-statutory); and/or
- Placing no further statutory requirements on public sector organisations (instead relying on their ability to plan alongside our delivery and funding programmes to meet the 2038 objective).

3.7 The intention is for Parliament to approve the Bill by the end of 2025 and it will form the main legislative foundation in place for the heat transition. If Parliament approves the Bill by the end of 2025, detailed secondary legislation will follow in 2026.

3.8 Given the Scottish Parliament election is due to take place in May 2026, it is expected that the end of 2026 would be the earliest that secondary regulations can be made. As a result, it may be 2028 at the earliest before the first home or building owners are required to act under the terms of the regulations (assuming a 2-year grace period for the property purchase trigger).

² A 'good' level of energy efficiency is generally agreed to be Band C on an Energy Performance Certificate (EPC).

3.9 The proposals in the consultation for the Heat in Buildings Bill could support delivery of the targets in the LHEES by setting timescales for replacing polluting heating systems and improving energy efficiency.

Rationale for the Heat in Buildings Bill

3.10 Climate change impacts have been intensifying with June, July, August, September, October and November 2023 all breaking global temperature records,^{3 4} with temperatures being described as 'off-the charts' by the UN⁵ and September registering as 1.75°C hotter than pre-industrial levels – the hottest in 174 years of climate data keeping⁶. These observed temperatures put 2023 on track to be the hottest year on record.

3.11 Scotland's ten hottest years have all occurred since 1997, despite record keeping beginning in 1884,⁷ and Scotland's highest ever temperature of 34.8°C was registered in July 2022, almost 2°C higher than the previous record.⁸

3.12 A study published in December 2023 by the James Hutton Institute showed that Scotland's climate is changing faster than scientists predicted with changes that were expected to occur over the next three decades already happening.⁹

3.13 It is not possible for the Council to meet its legal obligation to reach net zero emissions without changing the heating systems in the vast majority of its buildings. Some households and businesses in Scotland are already doing this, with around 5,000 people per year installing heat pumps and around 33,000 buildings connected to heat networks.

3.14 The current rate of switching to clean heating is far short of what is needed to reach Scotland's climate change targets. Regulation is essential, alongside significant support, financial incentives and market developments, in order to contribute to achieving the national net zero targets.

4.0 IMPLICATIONS

The implications for the Council are as undernoted.

4.1 Service to Customers – None.

4.2 Workforce (including any significant resource implications) – Financial and resource implications have been identified through the consultation response in relation to potential new requirements for the Council in terms of adhering to the proposed new Heat in Buildings Bill and Standard as well as the new enforcement and monitoring roles the Council may be required to perform. Additional support from the Scottish Government will be required to meet these requirements and has been requested.

³ See [Warmest September on record as 'gobsmacking' data shocks scientists - BBC News](#)

⁴ See [Record warm November consolidates 2023 as the warmest year | Copernicus](#)

⁵ See [Temperatures off the charts, but more records imminent: WMO | UN News](#)

⁶ See [September smashes monthly temperature record by record margin | World Meteorological Organization \(wmo.int\)](#)

⁷ See Adaptation Scotland (2022) [Adaptation Scotland:: Climate trends and projections](#)

⁸ See Met Office (2022) [Record high temperatures verified - Met Office](#)

⁹ See [Scotland's climate changing faster than predicted | The James Hutton Institute](#)

- 4.3** Legal Implications – The consultation paper includes a proposed new statutory requirement for all buildings owned by a Scottish public authority to be required to use a clean heating system by the end of 2038, along with a range of potential duties to support delivery of this requirement.
- 4.4** Financial Implications – As part of the Council consultation response, the cost implications of the requirement for all buildings owned by a Scottish public authority to be using clean heating systems by the end of 2038 have been highlighted and the need for financial support to achieve this noted.
- 4.5** Procurement – No direct implications. However, the scale of the work required to meet the proposed requirements of the Bill will be considerable and will have extensive procurement implications.
- 4.6** ICT – None.
- 4.7** Corporate Assets – Decarbonisation of heating in all Council buildings will have far-reaching implications for the Council's capital budget and Asset Management Programme. Potential duties which would prevent them from replacing a polluting heating system with another, development of a building decarbonisation plan and a statutory reporting duty on progress toward the 2038 target will have significant resource implications.
- 4.8** Equalities Implications – None
- 4.9** Corporate Parenting – None.
- 4.10** Sustainability – The Heat in Buildings Bill and Standard will be a significant step forward in terms of action to reduce emissions related to the way we heat our homes, workplaces and other buildings.
- 4.11** Other – N/A

5.0 MANAGEMENT OF RISK

The risks and control measures relating to this Report are as follows:-

- 5.1** N/A

6.0 IMPACT

- 6.1 ECONOMIC GROWTH & RECOVERY** – None.
- 6.2 EMPLOYMENT & SKILLS** – There is a potential issue around the need to ensure that appropriate skills development is undertaken to meet the significant need for skilled installers of low and zero carbon technologies and accompanying fabric improvements.
- 6.3 CHILDREN & YOUNG PEOPLE** – None.
- 6.4 SAFER & STRONGER COMMUNITIES** – None.

6.5 ADULT HEALTH & WELLBEING – None.

6.6 OLDER ADULTS, VULNERABLE PEOPLE & CARERS – None.

6.7 CLIMATE CHANGE – The Heat in Buildings Bill and Standard will be a significant step forward in terms of action to reduce emissions related to the way we heat our homes, workplaces and other buildings.

6.8 STATUTORY DUTY – Additional powers may follow through secondary legislation but the Heat in Buildings Bill is proposing to create a new statutory requirement for all buildings owned by a Scottish public authority to be required to use a clean heating system by the end of 2038.

The Bill, once enacted will also:

- Prohibit the use of polluting heating systems after 2045.
- As a pathway to 2045, require those purchasing a home or business premises to end their use of polluting heating systems within a fixed period following completion of sale or when a heat network connection is available in a Heat Network Zone.
- Introduce legislation requiring homeowners to make properties meet a reasonable minimum energy efficiency standard by 2033.
- The private rental sector will be required to meet this minimum energy efficiency standard by 2028.

7.0 POLICY CHECKLIST

7.1 This Report has been assessed against the Impact Assessment Guide: Checklist and has been classified as being an operational report and not a new policy or change to an existing policy document.

8.0 APPENDICES

8.1 Appendix 1: Heat in Buildings Bill Consultation: Proposed Council Response