



HEAT IN BUILDINGS (SCOTLAND) BILL

WWF SCOTLAND BRIEFING – MARCH 2025

CONTEXT

Heating for homes and buildings is **one of the largest emitting sectors in Scotland**, accounting for 20% of our annual carbon emissions and 50% of our annual energy use. Around 90% of homes still use oil and gas for heating, with 50% of homes below the recommended levels of energy efficiency. Furthermore, fuel poverty has reached unprecedented levels with **1 in 3 households in Scotland struggling to afford to heat their homes** as a result of poor insulation and soaring fossil fuel prices.

Installing clean heating systems, such as electric heat pumps, powered by Scotland's abundant homegrown renewables in combination with better insulation in our homes and workplaces will have a transformational impact on people's lives in Scotland, delivering affordable warmth for households and determining whether Scotland remains on track with its legally-binding 2045 net zero ambition.

The introduction of a **Heat in Buildings (Scotland) Bill**, as committed in the 2024-25 Programme for Government, is a vital step in establishing the long-term policies required to give industry the confidence to invest, scale up, and reduce upfront costs of clean heating technologies and energy efficiency measures. This will make the benefits of cleaner heating such as warmer homes, lower energy bills, and protection from unstable fossil fuel prices available for all.

INTRODUCING REGULATION IN SCOTLAND

WWF-Scotland's analysis of typical housing stock revealed that **heat pumps, energy efficiency measures, and heat networks** must form Scotland's strategy for decarbonising homes and tackling fuel poverty. These are mature technologies that can be rolled out now, help protect consumers from unstable fossil fuel prices, alleviate fuel poverty, and deliver genuine emissions reductions without putting the decarbonisation of other sectors at risk.

WWF-Scotland has been calling for the **introduction of the Heat in Buildings (Scotland) Bill to create warmer and healthier homes for everyone living in Scotland** aligned with our ambition to tackle fuel poverty by 2040 and reach net zero by 2045. This regulation would need to be **introduced before summer 2025** to allow sufficient time for parliamentary scrutiny, while providing certainty to the industry delivering the clean heat transition. The bill should include the following **measures**:

- Create a requirement for all owner-occupied homes to meet the **minimum energy efficiency standard** by 2033, and include a requirement for all private-rented to meet this standard by 2028;
- Establish a power for Scottish Ministers to introduce requirement for homeowners to **fit clean heating** within a 2-5 year grace period after property purchase;

- Establish a power for Scottish Ministers/Local Authorities to introduce a requirement for homeowners within a designated Heat Network Zone to receive a deadline for **connecting to a heat network** once available;
- Ensure a requirement for all building owners to end the use of polluting heating systems by 2045.

This must crucially include a combination of **public and private financial support**, as well as **information and advice**, for households to support them in making these improvements. These measures include:

- Working closely with the UK Government to tackle unaffordable household electricity prices by **restructuring the electricity market** in Great Britain to rebalance the gas and electricity price ratio. This will ensure that clean heating systems, such as electric heat pumps, become cost-effective with progress towards decarbonising heating at scale made possible.
- Maintaining **financial support** for existing grant and loan schemes covering energy efficiency upgrades and clean heating installation costs for fuel poor and able-to-pay households, as well as exploring new public and private financial mechanisms that incentivise installation.
- Delivering a high-profile **awareness-raising campaign** on the benefits of the transition to clean, warm, and healthy homes for everyone in Scotland with information on the level of financial support available to households.
- Support the development of a **national network of one stop shops** across local authorities in Scotland to supplement the provision of retrofit advice by Home Energy Scotland (HES) and deliver tailored support to homeowners throughout the entire retrofit process.

Polling showed that **the majority of Scots** support policies to **phase out fossil fuel boilers** with even stronger support for regulation to **improve the energy efficiency of homes**. The longer clear regulation and investment on affordable warmth is delayed the further astray we will be from the pathway to reaching net zero by 2045 and tackling fuel poverty by 2040, while leaving households tied to volatile fossil fuel prices for longer.

CO-BENEFITS TO THE TRANSITION TO AFFORDABLE WARMTH

- A **reduction of around 15% in annual energy bills** (£365 at current energy prices) **and carbon emissions** (around one tonne) per home that meets the minimum energy efficiency standard roughly equivalent with an EPC ‘C’ rating. A **reduction of around 90% in annual carbon emissions** per home that switches from a gas boiler to an air-source heat pump. In total, the proposals in the consultation for a HIBB published in November 2023 could **reduce annual carbon emissions from existing homes in Scotland by around 30% by 2036**.
- The transition to clean heating has been estimated to create **16,400 additional jobs by 2030** in Scotland, and increase GDP by nearly **£5 for every £1 invested in energy efficiency**.
- Delivering healthier and warmer home environments through clean heating and energy efficiency measures can **reduce health-related public spending** and deliver improved public health outcomes. It is estimated that it costs NHS Scotland between **£48m and £80m per year** to treat health conditions caused as a result of living in cold homes.
- Improving energy efficiency in properties and installing low-carbon technologies can **increase property value**. Based on home value modelling as part of the WWF-UK and ScottishPower “Better Homes, Cooler Planet” report, an air source heat pump alone could increase the sales value of a home by around £5,000-£8,000.

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