



Minister for Zero Carbon Buildings, Active Travel
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Convener
Local Government, Housing and Planning Committee

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21 July 2023

Dear Convener,

Thank you for your letter of 28 June requesting an update on progress made over the last year on a number of issues to inform the Committee's annual tracker report. We would respond as follows.

Retrofitting of housing for net zero

We know that to meet our 2030 interim climate targets we need to continue to significantly improve the standard of energy efficiency in our existing homes and increase the deployment of zero direct emission heating systems. These changes will be crucial to making our homes and buildings more comfortable and affordable to heat, and to meeting our net zero targets.

As such, we intend to introduce regulations to require that all homes meet a minimum energy efficiency level equivalent to Energy Performance Certificate C by 2033, and are prohibited from using direct emissions heating (and cooling) systems by 2045. We have committed to consult during 2023 on our proposals for a Heat in Buildings Bill.

We are also allocating at least £1.8 billion over the course of this Parliament to accelerate the deployment of heat and energy efficiency measures and to support those least able to pay. We offer a broad range of delivery programmes to provide advice and financial support for households and businesses related to energy efficiency, renewable heating and fuel poverty support in Scotland. Over 150,000 households in Scotland already live in homes which are warmer and cheaper to heat, thanks to investment by the Scottish Government.

In 2022-23, Scottish Government funding supported:

- 8,880 fuel poor households make their homes warmer and easier to heat
- 4,400 installations of zero direct emission heating systems (ZDEH)
- 625 homes connect to a ZDEH heat network, and

- 138,000 households to receive advice from Home Energy Scotland – around half of whom were in fuel poverty.

In 2023-24 we are allocating:

- £55 million to Warmer Homes Scotland
- £64 million to Area Based Schemes
- £42 million to Home Energy Scotland Grants and Loans
- £50 million to the Green Public Sector Estate Decarbonisation Scheme, and
- £39.5 million to the Social Housing Net Zero Heat Fund.

We will continue to evolve this package of support over the course of the decade to meet the scale of change required and align with any regulations we introduce.

Affordable Housing Supply Programme

We remain committed to delivering on our target of 110,000 affordable homes by 2032, of which at least 70% will be available for social rent and 10% will be in our remote, rural and island communities. Over the period 23 March 2022 to 31 March 2023, 11,570 affordable homes have been delivered towards this target, of which 9,121 (79%) are homes for social rent.

We continue to collaborate with all our partners to achieve our shared goal of delivering more affordable homes for Scotland. Recently published statistics show that the 10,458 affordable homes which were delivered over the period 1 April 2022 to 31 March 2023 is the highest annual figure since the start of the statistical series in 2000. All sector housebuilding completions are also at their highest annual year to end March rate since 2008, up 9% on last year.

Over the lifetime of our affordable homes target, the Innovative Finance Steering Group will be able to take a strategic look at the opportunities to support open and competitive processes to achieve both value for money and sustainability. The group has met once at the end of 2022 to set the group's terms of reference and to agree governance procedures and associated documentation. Members have recently participated in a horizon scanning exercise to identify priority areas for further development. This includes the potential for a long lease model to deliver mid-market housing. The group will reconvene later in the summer to discuss how best to take potential ideas forward.

Cladding

We can confirm that a response providing an update on the work of the Cladding Remediation Programme, on the Scottish Safer Buildings Accord and on exploring potential Cladding legislation was sent to you under separate cover on 10 July.

We hope you find this update helpful.

Yours sincerely,

PAUL MCLENNAN

PATRICK HARVIE