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Mr Edward Mountain MSP  
Convener  
Net Zero, Energy and Transport Committee  
The Scottish Parliament  
Edinburgh  
EH99 1SP

2 December 2022

Dear Convener,

I am writing to inform you of the launch of the new Home Energy Scotland (HES) Grant and Loan scheme. This is aimed at encouraging homeowners to install heat pumps and make climate-friendly energy efficiency improvements.

Through the Heat in Buildings Strategy, the Scottish Government outlined the steps we will take to reduce greenhouse gas emissions from Scotland's homes, including a commitment to replace the current cashback arrangements with a standalone grant replacement to support energy efficiency and zero emission heating. This was also included in the Bute House Agreement and 2022-23 Programme for Government.

The new Home Energy Scotland Grant and Loan scheme provides a grant which can be taken on its own or alongside an interest free Home Energy Scotland Loan. This replaces the previous Home Energy Scotland Loan and Cashback offer, where the cashback element had to be taken in tandem with an interest free loan.

**Aspects of the new scheme include:**

- Up to £15,000 grant is available, or up to £18,000 in rural areas.
- Grant funding for heat pumps up to £7,500. The remainder of funding requested can be taken up as an optional interest-free loan.
- Grant funding for energy efficiency improvements – up to 75% of the combined cost of the improvements and up to the maximum grant amount of £7,500.
- A rural uplift of £1,500 to both the heat pump and energy efficiency grants. This uplift increases the heat pump grant flat rate and the maximum limit of the energy efficiency grant to £9,000.

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- Packages of measures created to support the uptake of complimentary measures that offer substantial improvement to energy efficiency and heat decarbonisation of households.

The Home Energy Scotland service, and associated funding, is managed by the Energy Saving Trust (EST) on behalf of Scotland's new national public energy agency, Heat & Energy Efficiency Scotland with its focus on accelerating transformational change in how we heat and use energy in homes and buildings, aid public understanding and awareness, and co-ordinate delivery of investment.

We have worked closely with the Energy Savings Trust to ensure this revised package reflects the costs of retrofitting domestic properties to be more energy efficient and encourage greater uptake particularly during the energy crisis currently being faced. With households now able access substantial grant funding, the HES Grant and Loan scheme further demonstrates the Scottish Government's commitment to reducing the effects that heating our buildings has on the environment.

If you would like any further details please do not hesitate to contact me.

**PATRICK HARVIE**

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