

Net Zero, Energy and Transport Committee

28th Meeting, 2022 (Session 6), Tuesday, 1 November 2022

SSI cover note for: The Financial Assistance for Environmental Purposes (Scotland) (No. 2) Order 2022 (SSI 2022/278)

Title of Instrument:	The Financial Assistance for Environmental Purposes (Scotland) (No. 2) Order 2022
Type of Instrument:	Negative
Laid Date:	22 September 2022
Circulated to Members:	23 September 2022
Meeting Date:	1 November 2022
Minister to attend meeting:	No
Motion for annulment lodged:	No
Drawn to the Parliament's attention by the Delegated Powers and Law Reform Committee?	No
Reporting deadline:	14/11/2022

Recommendation

1. The Committee is invited to consider any issues which it wishes to raise on this instrument.

Background

2. This Order seeks to amend section 153(1) of the Environmental Protection Act 1990, of which details a range of programmes, schemes and organisations Scottish Ministers can offer financial assistance for environmental purposes. The instrument adds to this list of recipients any scheme, programme or organisation which pertains to eliminating or reducing greenhouse gas emissions from the heating of buildings, and any scheme, programme or organisation for the purposes of improving the energy efficiency of buildings. Scottish Ministers have the authority to determine which form

this financial assistance will be and may be provided to the recipient through making grants, loans or guarantees, incurring expenditure, as well as providing additional resources such as staff or equipment.

3. An electronic copy of the Order is available at:

<https://www.legislation.gov.uk/ssi/2022/278/contents/made>

4. A copy of the Scottish Government's Explanatory and Policy Notes are included in **Annexe A**.

Purpose

5. The instrument will enable Scottish Ministers to offer financial assistance for the purposes of eliminating or reducing greenhouse gas emissions from the heating of buildings and improving the energy efficiency of buildings.

Delegated Powers and Law Reform Committee consideration

6. At its meeting on 4 October 2022, the Delegated Powers and Law Reform Committee [considered the instrument](#) and determined that it did not need to draw the attention of the Parliament to the instrument on any grounds within its remit.

Procedure for Negative Instruments

7. Negative instruments are instruments that are "subject to annulment" by resolution of the Parliament for a period of 40 days after they are laid. All negative instruments are considered by the Delegated Powers and Law Reform Committee (on various technical grounds) and by the relevant lead committee (on policy grounds). Under Rule 10.4, any member (whether or not a member of the lead committee) may, within the 40-day period, lodge a motion for consideration by the lead committee recommending annulment of the instrument. If the motion is agreed to, the Parliamentary Bureau must then lodge a motion to annul the instrument for consideration by the Parliament.

8. If that is also agreed to, Scottish Ministers must revoke the instrument. Each negative instrument appears on a committee agenda at the first opportunity after the Delegated Powers and Law Reform Committee has reported on it. This means that, if questions are asked or concerns raised, consideration of the instrument can usually be continued to a later meeting to allow correspondence to be entered into or a Minister or officials invited to give evidence. In other cases, the Committee may be content simply to note the instrument and agree to make no recommendation on it.

Clerks

Net Zero, Energy and Transport Committee

Annexe A

Scottish Government Explanatory Note

This Order varies section 153(1) of the Environmental Protection Act 1990 to add any scheme, programme or organisation for the purposes of eliminating or reducing greenhouse gas emissions from the heating of buildings, and any scheme, programme or organisation for the purposes of improving the energy efficiency of buildings. This will enable the Scottish Ministers to give financial assistance to, or for the purposes of, those schemes, programmes or organisations.

Scottish Government Policy Note

POLICY NOTE

The Financial Assistance for Environmental Purposes (Scotland) (No. 2) Order 2022 SSI 2022/278

The above instrument was made in exercise of the powers conferred by section 153(4) of the Environmental Protection Act 1990 and all other powers enabling them to do so. The instrument is subject to negative procedure.

The instrument will enable Scottish Ministers to offer financial assistance for the purposes of eliminating or reducing greenhouse gas emissions from the heating of buildings and improving the energy efficiency of buildings.

Policy Objectives

The Heat in Buildings Strategy, published in October 2021, committed the Scottish Government to a programme of investing at least £1.8 billion over the current parliament to reduce the greenhouse gas emissions from heating buildings and improving the energy efficiency of buildings. The Strategy sets targets of converting 1 million homes and the equivalent of 50,000 non-domestic properties to zero emissions heating by 2030.

Financial support is essential to assist early adopters of improved energy efficiency and zero emissions heat overcome the costs involved. The proposed instrument will enable the provision of financial support through our capital programmes such as the Scottish Green Public Sector Estate Scheme, the Social Housing Net Zero Heat Fund and Scotland's Heat Network Fund.

Consultation

A draft version of the Heat in Buildings Strategy was published as a consultation. Many respondents noted their broad support for the overall pathway set out within the draft Strategy. It was described as ambitious, comprehensive and as seeming to achieve a balance between reaching net zero, protecting consumers and reducing fuel poverty.

Specifically on the purpose of this instrument, respondents highlighted the significance of capital costs as a barrier to the uptake of zero emissions heating. A number of respondents referred to the importance of grant funding to cover capital costs and it was reported that up front grant payments have proved easy to understand and successful in the past.

[The consultation analysis is attached.](#)

Impact Assessments

Impact assessments were completed as part of the development of the Heat in Buildings Strategy. The financial support schemes enabled by this instrument are part of the Strategy's programme to invest at least £1.8 billion in zero emissions heat and energy efficiency measures.

The following impact assessments were completed as part of the development of the Heat in Buildings Strategy:

- [Equality impact assessment](#)
- [Islands impact assessment](#)
- [Fairer Scotland Duty](#)
- [Child rights and wellbeing impact assessment](#)
- [Business and Regulatory Impact Assessment \(BRIA\)](#)

Financial Effects

A Business and Regulatory Impact Assessment (BRIA) was completed for the Heat in Buildings Strategy and the programme for £1.8 billion investment in heat decarbonisation and energy efficiency of buildings.

The financial support schemes enabled by this instrument will support domestic and nondomestic building owners overcome the upfront cost of taking early action in heat decarbonisation whilst the low carbon heat market in Scotland develops. Capital spending is likely to have a positive impact on business, with the Heat in Buildings Strategy committing to building local supply chains, maximising local job creation, and ensuring a just transition.

Scottish Government
Energy and Climate Change Directorate
September 2022