# Pre-budget scrutiny on the 2027/28 draft Scottish budget

## Energy Saving Trust

**About Energy Saving Trust**
Energy Saving Trust is the leading partner that enables governments and businesses to deliver inclusive home and community energy efficiency and low carbon advice and solutions.

A trusted, independent voice, we have over 30 years' sector experience. We provide leadership and expertise to deliver the benefits of achieving carbon reduction targets: warmer homes, cleaner air, healthier populations, a resilient economy and a stable climate.

We empower householders to make better choices, deliver transformative programmes and support businesses and community groups with strategy, research and assurance – enabling everyone to play their part in building a sustainable future.

**Our response**

Thank you for the opportunity to provide a written submission to the Economy, Tourism and Energy Committee as part of its pre-budget scrutiny of the Scottish Budget 2027-28, ahead of our forthcoming oral evidence session. Energy Saving Trust welcomes the Committee's interest in our work and the opportunity to contribute to this process.

This submission addresses each of the questions set out by the Committee, covering our current funding arrangements, how we measure our performance and impact, and our views on future funding and policy priorities.

1. **Public funding provision to Energy Saving Trust in Scotland in the 2026/27 Scottish budget**

Energy Saving Trust is an independent, profit-for-purpose organisation and does not receive a single core budget allocation through the Scottish Budget. Funding is provided by the Scottish Government and Transport Scotland through a combination of grant funding and competitively procured contracts to deliver agreed programmes and activities.

Scottish Government funding provided through these arrangements in 2026-27 is currently estimated and can be broadly divided into two categories:

- Funding retained by Energy Saving Trust to deliver agreed programmes and services: approximately **£30.27 million.**

- Funding administered by Energy Saving Trust and passed through to households, communities and businesses as grants and loans: approximately **£121.23 million.**

These figures represent Energy Saving Trust's current best estimate of funding from the Scottish Government and Transport Scotland for 2026-27, reflecting planned programme delivery and anticipated grant and loan payments during the year.

All funding received by Energy Saving Trust is linked to agreed objectives, targets and performance measures, with regular reporting provided to the Scottish Government. Energy Saving Trust also undertakes robust monitoring and evaluation to assess programme outcomes and impacts and support continuous improvement.

The services delivered through this funding are highly valued by customers. For example, in the 2025-26 financial year Home Energy Scotland, Business Energy Scotland, and Home Energy Scotland Grants and Loans programme achieved Net Promoter Scores[1] of 67 (excellent), 64 (excellent) and 74 (world class) respectively, and customer satisfaction levels of 89%, 90% and 89%. Performance remains strong in 2026-27 to date, with Net Promoter Scores of 66 (excellent) for Home Energy Scotland, 81 (world class) for Home Energy Scotland Grants and Loans and 75 (world class) for Business Energy Scotland with customer satisfaction levels of 86%, 94% and 96% respectively.

For completeness, Energy Saving Trust also holds a one-third ownership stake in Warmworks, a joint venture partnership which delivers the Scottish Government's Warmer Home Scotland programme under a competitively procured contract.

**2. How do you measure your achievements against the targets and outcomes set for the organisation?**

Energy Saving Trust measures performance against a range of outcomes, targets and key performance indicators agreed with the Scottish Government as part of the governance arrangements for individual programmes. These measures are designed to assess not only the volume of activity delivered, but also the quality of delivery and the outcomes achieved.

Performance is monitored throughout the year and reported regularly to the Scottish Government through formal reporting arrangements. These include quarterly performance reports, alongside additional monthly and programme-specific reporting where required. Reporting covers delivery against agreed targets and KPIs, alongside programme specific measures and outcomes. Examples include customer outcomes, service quality, customer satisfaction, carbon savings, fuel bill savings and progress against programme specific objectives.

[1] Net Promoter Score (NPS) is a widely used measure of how likely customers are to recommend a product, service or organisation to others, providing an indicator of customer loyalty and overall experience. Scores can range from -100 to +100 on the scale.

This reporting enables both Energy Saving Trust and the Scottish Government to assess performance, monitor delivery against agreed outcomes, identify areas for improvement and ensure that public funding is delivering the intended benefits.

**3. What views to you have on the allocation you should receive in the forthcoming Scottish budget for 2027/28?**

Through grant-funded programmes and competitively procured contracts, Energy Saving Trust delivers substantial programmes on behalf of the Scottish Government and these provide strong value for money.

These programmes also provide a strong return on public investment. For example, every £1 invested in Home Energy Scotland advice delivers nearly £15 in estimated lifetime savings for households. Since its inception, Home Energy Scotland has generated well over £1 billion in estimated lifetime energy bill savings.

Demand for advice, support and financial assistance programmes remains high. Energy costs continue to place pressure on household budgets and based on previous experience, we expect demand to increase further over the winter period and beyond as households face higher energy bills. In this context, continued support for programmes that help households and businesses reduce energy costs will remain important.

Energy Saving Trust continues to focus on delivering services as efficiently and effectively as possible. Budgets for some programmes have remained broadly flat or reduced in recent years, while delivery costs have increased as a result of inflation. While current funding is sufficient to deliver agreed programmes and targets, sustained increases in demand for advice, support and financial assistance programmes could result in more households and businesses seeking support than can be accommodated within existing budgets.

While investment in energy efficiency and clean heat plays an important role in reducing energy bills and tackling fuel poverty, it is also critical to delivering Scotland’s climate ambitions. Alongside measures to decarbonise transport, Improving the energy performance of homes and businesses, and accelerating the transition to low-carbon heating will be essential if statutory emissions reduction targets are to be met. Continued investment therefore supports energy affordability and climate goals.

We recognise that budget decisions involve difficult choices across a range of competing priorities. The appropriate level of future investment is ultimately a matter for the Scottish Government, but continued support for programmes that support households, communities and businesses to reduce energy costs and emissions will be important in helping to tackle the climate emergency, reduce fuel poverty and improve energy affordability across Scotland.

**4. What views do you have on the implications of the Scottish Spending Review 2026**

Energy Saving Trust welcomes the Scottish Spending Review 2026's continued support for energy efficiency, clean heat and sustainable transport programmes, with substantial funding committed across the review period. These programmes can

help households and businesses reduce energy costs and tackle fuel poverty while also reducing emissions and supporting Scotland’s climate change ambitions.

While the planned funding profile provides a strong basis for continued delivery, allocations for energy efficiency and decarbonisation remain broadly flat across the Spending Review period. As noted in our response to question 3 above, demand for advice, support and financial assistance programmes remains high and is likely to increase further as high energy costs continue to place pressure on household budgets. At the same time, achieving Scotland's climate change ambitions will require a significant increase in the uptake of energy efficiency improvements, clean heating and low-carbon technologies. While the Spending Review provides a strong foundation for continued delivery, the extent to which current funding levels can support the scale of activity required to meet Scotland's climate and fuel poverty ambitions will be an important consideration over the coming years.

We also note that the substantial funding committed across the review period provides greater certainty for the supply chain. As Energy Saving Trust has highlighted elsewhere, long-term funding certainty can help businesses plan, recruit and invest in the skills and capacity needed to support Scotland's climate change ambitions.

**5. Do you have any views on the longer-term outlook for the Scottish economy from your organisational remit point of view?**

Energy Saving Trust supports the overall direction of Scottish Government policy on energy efficiency, heat decarbonisation and sustainable transport. As well as being essential for meeting climate change and fuel poverty targets, these policies can help strengthen Scotland's economy by reducing dependence on imported fossil fuels, lowering energy costs, supporting skilled employment and stimulating investment in local supply chains. Realising these benefits depends on households and businesses being able to take action, with trusted advice, support and financial assistance helping them make informed decisions, identify the most appropriate measures for their circumstances and access available support.

These programmes can help people reduce energy costs and emissions while providing a strong return on public investment. Evaluation of programmes delivered on behalf of the Scottish Government shows that every £1 invested in expert, tailored advice generates significant returns through lower energy bills. For example, every £1 invested in Home Energy Scotland advice delivers nearly £15 in lifetime savings for households, while every £1 invested in Business Energy Scotland advice delivered £26 in lifetime savings for businesses in 2023-24. Analysis also shows that 62% of the total savings achieved by Home Energy Scotland customers can be directly attributed to the advice provided, with customers receiving verbal advice achieving average lifetime financial savings of around £2,250. Since its inception, Home Energy Scotland has generated well over £1 billion in estimated lifetime energy bill savings. These outcomes highlight how investment in energy efficiency and heat decarbonisation can reduce energy costs for households and businesses. By reducing energy demand and associated costs, these programmes can increase the amount of money available for households and businesses to spend elsewhere in the economy, generating wider economic benefits while also improving resilience

to future energy price volatility and supporting progress towards fuel poverty and climate objectives.

The benefits delivered through these programmes highlight the value of Scotland's existing delivery infrastructure. The Scottish Government has already established much of the delivery infrastructure needed to help households and businesses reduce energy costs, improve energy efficiency and transition to cleaner heating systems, including the Home Energy Scotland and Business Energy Scotland advice services, grant and loan programmes, and initiatives to support supply chain development. This provides a strong foundation for Scotland to remain at the forefront of the UK's transition to energy-efficient homes and businesses, helping to maximise the associated economic opportunities and benefits for households and businesses, strengthen resilience to energy price volatility and support the growth of skilled jobs and supply chains across Scotland.

Finally, the Committee may also be interested to note that as President of the European Energy Network (EnR), Energy Saving Trust is working with partner organisations across Europe to examine responses to recent energy price crises and the lessons that can be learned from different national approaches. This work highlights the important role that energy efficiency, advice services and targeted support can play in reducing exposure to volatile energy prices and improving economic resilience. We would be happy to provide the Committee with further information about this work if it would find this useful.