

Local Government, Housing and Planning Committee  
Tuesday 18 November 2025  
29th Meeting, 2025 (Session 6)

## Scrutiny of the draft Climate Change Plan (CCP)

### Introduction

1. In July 2023, the Committee [responded](#) to an invitation to participate in collaborative scrutiny of the CCP from the Convener of the NZET Committee. It confirmed it would consider the buildings chapter of the plan, as well as considering the plan through the lens of local authority delivery.
2. At its meeting on 7 October 2025, the Local Government, Housing and Planning Committee agreed to hold a round table evidence session on heat in buildings related issues in anticipation of the draft Climate Change Plan being laid and a bill on heat in buildings being introduced.
3. The draft Plan has now been laid and this paper provides background information to support the Committee's evidence session.

### Background

4. The [Scottish Government's draft Climate Change Plan 2026-2040](#) was published on the 6 November, and must be laid in draft in the Scottish Parliament for 120 days. During this time committees may scrutinise and publish reports on the draft CCP, and the Chamber may debate or consider motions on it. A number of other Parliamentary committees will also be scrutinising elements of the Plan which are relevant to their remits.
5. At this meeting the Committee will hold a round-table discussion with a range of organisations and individuals about the buildings chapter and the wider implications for local government.
6. The discussion will help inform the Committee's consideration of the draft CCP and its concluding report.
7. More detail on the content of the buildings chapter of the CCP is provided below in Annexe A.

### Committee scrutiny

8. The Committee will hear from the nine organisations and individuals listed below (links are to written submissions).
  - [Stop Climate Chaos Coalition](#)
  - [Professor Jan Webb, Professorial Fellow](#), Social and Political Science, University of Edinburgh

- [Highland Council](#)
- [Built Environment Forum Scotland](#)
- [Homes for Scotland](#)
- [Consumer Scotland](#)
- [Scottish Research Alliance for Energy Homes and Livelihoods](#) (SRAEHL)
- Chartered Institute of Building (CIOB)
- Royal Incorporation of Architects Scotland (RIAS) (RIAS have provided a [written submission](#) ahead of the meeting which is available on the Committee's correspondence webpage.)

## **Next steps**

9. In addition to this round-table, the Committee intends to take evidence from COSLA and the Scottish Government at future meetings.
10. It has also agreed to hold an engagement event with people with experience of decarbonising domestic heating.
11. The Committee will report on its conclusions early in 2026.

**Clerks to the Committee**  
**November 2025**

## Annexe A – Spice briefing



### Scrutiny of the Draft Climate Change Plan: 2026-2040

#### Climate Change Plan background

The Climate Change Plan (CCP) is a strategy document which outlines how the Scottish Government intends to meet emissions reduction targets across all portfolio areas and sectors of the economy.

The parliamentary process for laying and scrutinising a draft climate change plan is contained in three pieces of legislation - the [Climate Change \(Scotland\) Act 2009](#), the [Climate Change \(Emissions Reduction Targets\) \(Scotland\) Act 2019](#) and the [Climate Change \(Emissions Reduction Targets\) \(Scotland\) Act 2024](#).

The last full CCP was in 2018, the last CCP “update” in 2020 was non-statutory. The Scottish Government published a [draft CCP on the 6 November 2025](#). Publication of this draft CPP has been delayed. The [Bute House Agreement](#) had committed the Scottish Government to publish a draft by the end of November 2023. However, this was postponed, with [the Scottish Government citing changes to the UK Government’s net zero policies and uncertain economic conditions](#).

Plans to lay a draft CPP in autumn 2024, as effectively required under the legislation then in force, were also postponed, in the light of the Scottish Government accepting the [Climate Change Committee’s verdict](#) that achieving the 2030 interim target to reduce emissions by 75% was no longer credible. The 2024 Act set out a revised process for setting targets (through carbon budgets) and the timetabling of the corresponding climate change plans that, in effect, pushed the laying date back.

#### Carbon Budgets and Scottish Government statement

The CCP sets out the proposals and policies for meeting the emissions reductions targets. These targets are set out in [‘carbon budget’ regulations](#) made in 2025.

These are limits on the amount of greenhouse gas which can legally be emitted over a given time. Not exceeding a carbon budget is a “Scottish carbon budget target.” The five-year carbon budget targets aim to reduce emissions by:

- 57% by 2030
- 69% by 2035
- 80% by 2040
- 94% by 2045 compared to 1990 levels

Alongside the carbon budget regulations, the Scottish Government [must publish a statement which must include](#), in indicative terms, the proposals and policies that will be in the next CPP.

This CCP covers the period 2026-2040. The government's ambition is that Scotland will be "net zero" in carbon emissions by 2045. Net Zero is the point when emissions entering the atmosphere are balanced by removals out of the atmosphere. In doing so, it will seek to meet reduction targets for this period, [based, on advice from the independent Climate Change Committee \(CCC\) published in May 2025](#).

## **What must the CPP include?**

The legislation requires that the CPP must include:

- Scottish Ministers' proposals and policies for meeting the emissions reduction targets during the plan period (see below for more on targets), broken down across seven sectors (energy supply, transport (including international aviation and shipping), business and industrial process, residential and public (in relation to buildings in those sectors), waste management, land use, land use change and forestry, and agriculture);
- the respective contributions (in measurable terms) towards meeting the emissions reduction targets that should be made by each of the seven sectors and each group of associated policies set out in the plan;
- an estimate of the costs and benefits associated with the policies set out in the plan;
- the timescales over which the proposals and policies will take effect;
- the incorporation of the principles of just transition and climate justice;
- demonstration of how the implementation of the plan will contribute to sustainable development; and
- an assessment of the progress towards implementing proposals and policies set out the immediately preceding plan.

## **Climate Change Committee Advice on Buildings**

The [CCC advice](#) is separated into residential buildings and non-residential buildings. The combined Buildings sector is the third largest emitting sector in Scotland, just behind Industry.

Emissions from residential buildings are 12% of the Scottish total. They have fallen 39% since 1990, driven by improvements in boiler efficiency, energy efficiency retrofit improvements to existing buildings, higher efficiency standards for new buildings and milder winters. Nearly 90% of Scottish homes, still however, use fossil fuels. Non-residential buildings emissions accounted for 6% of emissions in 2022, down by 31% since 1990. Public buildings have reduced emissions by 53% in this period, while commercial buildings have increased by 15%.

The CCC pathway sets out that the key decarbonisation measures for the building sector are:

- **Low-carbon heating** (54% of emissions reductions in 2035). In the CCC pathway, heat pumps are a key technology both as individual systems and as a heat source in heat networks. The number of [number of domestic properties recently installing a clean heating system in 2023 was 6,388](#). The CCC advice states that heat pump installations in existing homes needs to increase rapidly from 2025, reaching nearly 35,000 in 2030, and over 120,000 by 2035. By 2035 23% of existing homes would use a heat pump, compared to roughly 1% now.

In the pathway, by 2035, 5% of existing homes are [connected to a heat network compared to 1% in 2022](#) (latest [Heat in Buildings Progress Report](#)).

The CCC report also highlights the difficulty of decarbonising tenements both due to their traditional construction and the difficulties relating to works requiring coordination among multiple owners. It states that the Scottish Government will need to:

“Develop appropriate governance frameworks to coordinate residents in buildings containing multiple residential dwellings (in particular, tenements) to allow for the installation of communal low-carbon heating systems, where these are appropriate.”

- **Energy efficiency** (14% of emissions reductions in 2035). Energy efficiency measures include draught-proofing, loft insulation, floor insulation, and insulation for cavity and solid walls. These measures reduce heating energy demand by reducing the rate of heat loss. Energy efficiency accounts for a larger proportion of emissions reductions in the early years of the pathway.
- **New homes, lighting, electrical appliances, other household appliances, and energy-saving practices** (32% of emissions reductions in 2035). The pathway assumes that; all new homes are highly efficient and have low-carbon heating systems from 2025 (this was introduced by the New Build Heat Standard), all domestic energy-using products are decarbonised and/or replaced with more efficient equivalents by 2050 and that some of the recent emissions reductions were due to behaviours that will be maintained into the future, such as reducing boiler flow temperatures, adjusting thermostats, and other steps to reduce energy bills.

The CCC refers to the lack of movement on a Heat in Buildings (HiB) Bill in Scotland since the [consultation in 2023/24](#):

“It has been 18 months since the Scottish Government initially consulted on the Heat in Buildings Bill, which the Committee described in our 2023 report on Progress in reducing emissions in Scotland as a potential template for other parts of the UK. It is therefore disappointing that the proposals for regulations to upgrade properties at the point of sale have been abandoned, with, as yet, no specific alternative measures to deliver the target for heating to be zero emissions by 2045.”

## Scottish Parliament Call for views on Climate Change Plan

The Net Zero, Energy and Transport Committee issued a call for views to inform parliamentary scrutiny of the Climate Change Plan. The call for views closed on 19 September 2025 ahead of the introduction of the plan.

[Individual published responses are available online](#) and a [summary of responses by has been published](#) including a summary of those commenting on the [buildings topic](#). The [non-sector specific summary](#) also has relevant points related to local developments.

## The draft Climate Change Plan 2026-2040

The draft CCP lists three Heat in Buildings outcomes:

- **Heat in Buildings Outcome 1:** The heat supply to our homes and non-domestic buildings is very substantially decarbonised, with high penetration rates of renewable and zero emissions heating.
- **Heat in Buildings Outcome 2:** Our homes and buildings are highly energy efficient, with all buildings upgraded where it is appropriate to do so, and new buildings achieving ultra-high levels of fabric efficiency.
- **Heat in Buildings Outcome 3:** The heat transition is fair, leaving no-one behind and stimulates employment opportunities as part of the green recovery.

The key policy drivers to meet these outcomes are summarised as:

- **A target for decarbonising heating systems by 2045:** We will also publish a Heat in Buildings Strategy and Delivery Plan.
- **Financial support for energy efficiency:** To enable progress towards our decarbonisation goal while reducing fuel poverty, by providing advice and financial support for energy efficiency.
- **Heat networks:** We are developing plans to boost heat networks by requiring certain properties to change from fossil fuel heating systems when a heat network is available.
- **Heat in Buildings Programme:** We will continue to deliver a programme of support schemes and advice services which are designed to support a wide range of groups to decarbonise heat in our buildings.

Further detail on the policies is provided in [Annex 2](#) and [Annex 3](#) (Annex 3 identifies those that are considered ‘new’ since the last CPP). These policies and proposals are summarised here:

- Setting a **target for decarbonising heating systems by 2045**, so far as reasonably practicable
- By the end of 2026 prepare a **Heat in Buildings Strategy and Delivery Plan** by setting out the actions that Ministers intend or consider should be taken to ensure that the decarbonisation target is met (new)
- Developing means to **boost heat network development** through the potential use of powers to require certain properties to change from fossil fuel heating systems when they have the opportunity to connect to a heat network (new)
- Considering options to introduce **minimum energy efficiency standards for owner/occupier and non-domestic properties, subject to further consideration** (new). (note that the [2023 heat in buildings consultation](#) sought views on this)
- Developing a **minimum energy efficiency standard in the private rented sector**.
- Continue to **provide advice and support (such as grants and financial support) for property owners related to energy efficiency and clean heating**. Continue to work with lenders to foster market conditions that support a wider range of private lending products.
- Continue to **target support towards those who need it the most**.
- The **New Build Heat Standard**, introduced in April 2024 will continue to ensure that new buildings are future-proofed with either zero or negligible direct emissions from the main heating systems.
- Plans to introduce revised **Energy Performance Certificate (EPC) regulations**, expected to come into force in 2026. In conjunction with EPC reform, consulting on the development of a **Heat & Energy Efficiency Technical Suitability Assessment** to make sure that the right measures are being installed (new) (note that the Committee agreed to recommend approval of the draft EPC regulations at its meeting of 11 November 2025).
- Consulted on proposals for a **Social Housing Net Zero Standard** and will continue to liaise with partners in the social housing sector before confirming next steps (new). (Note that [consultation on this was first undertaken in 2023](#). Stakeholders, such as the [Scottish Federation of Housing Associations have been seeking clarity on what the standard will entail.](#))
- Continue to provide free advice to all through **Home Energy Scotland Advice Services** (and Business Energy Scotland Advice Services), while delivering funding through the Green Heat Installer Engagement Programme to help businesses secure accreditation and upskill their workforce in heat pump installation.
- Work to provide **advice and support for consumers** wherever that is needed and to help people feel confident about navigating the process. A **technology neutral approach** is a key component of this approach.
- Commitment to **reduce fuel poverty**, and that clean heat combined with reduce electricity prices will enable people to heat their homes comfortably and affordably.

The timeline of key developments is summarised in a [Routemap](#) (at page 10).

- (2026) New EPC regulations come into force (subject to parliamentary approval).
- (2026) Heat in Buildings Strategy and Delivery Plan published.
- (2026) New heat networks consumer standards begin.
- (2026) New heat networks technical standards introduced.
- (2028) New heat network zone regulations may require certain buildings within heat networks zones to connect to heat networks.
- (2028) New minimum energy efficiency standard planned for existing PRS lets (subject to consultation outcome).
- (2033) New minimum energy efficiency standard planned for existing PRS lets (subject to consultation outcome)
- (2040) Scotland is well on the way to decarbonising the heat used in its buildings

On buildings, the CCP **calls on Local Authorities to:**

- build on LHEES to coordinate and sponsor development of place-based projects, seeking out opportunities to aggregate projects into programmes,
- explore opportunities for developing heat networks alongside industry partners, including providing anchor loads by committing to connect local authority buildings,
- collaborate across neighbouring authorities to join up on heat plans at an appropriate spatial level, while agreeing planning projects to prioritise,
- partner with community-focused organisations – such as Local Energy Scotland, and retrofit delivery providers such as Home Energy Scotland – to align efforts in reaching local goals and engaging effectively with communities, and
- continue to deliver energy efficiency and clean heat projects across the social housing stock under local authority ownership.

## **Heat in Buildings Bill**

The CCP does not make any reference to a specific Heat in Buildings Bill, which was included in both the Scottish Government's May [Programme for Government](#) and its June [statement accompanying the carbon budget regulations](#). This appears to be the main difference between the Scottish Government's statement accompanying the carbon budget regulations and the CCP.

The Scottish Government's [announcement in April 2025](#) referred to what might be included in a bill:

- a target for decarbonising heating systems by 2045.

- requirements for large, non-domestic premises, including powers to require public sector buildings to connect to district heating when available.
- powers to set minimum energy efficiency standards for owner/occupier and non-domestic properties, subject to further consideration.

The above plans are all mentioned in the CCP, but there is no specific detail about how this might be achieved and in what legislation (plans for the minimum energy efficiency standard for private landlords are expected to be achieved via regulations made under existing legislation).

### **Call to others**

The plan ([at page 13](#)) recognises that progress towards the targets will require action from others, including, local authorities, industry and business, individuals and households and the UK Government

### **UK Government decisions**

The CCP highlights that “many of the enablers essential for a just and fair transition are reserved”. Therefore, there is need for UK Government action and decisions. In particular, the plan notes:

- the need for the UK Government to take urgent action on energy markets to reduce the cost of electricity, significantly reduce the running costs of clean heating systems
- the need for the UK Government to accelerate its decision on hydrogen for heat
- the UK Government’s plans to publish its Warm Homes Plan before the end of the year. It is expected that the further details on a range of matters including the need to make electricity and clean heat more affordable and wider incentives. This is likely to require CCP to be updated ahead of its finalisation in order to reflect and take into account the relevant UK Government policies and proposals
- the Green Heat Finance Taskforce (GHFT) has also called for the UK Government to undertake a number of measures including developing a regulatory framework that encourages innovative finance solutions to scaling home energy retrofits (e.g. aggregated demand models and scaled green loan markets),

### **Assessment of emissions reductions and costs and monitoring framework**

Annex 3 of the CPP ([at page 14](#)) provides an assessment of emissions and costs broken down by residential and non-residential buildings.

The current Residential CCP policy package is expected to have an additional cost of around £1.8 billion from 2026 to 2040, noting that delivery of the target is only

costed to 2030 given the need for greater certainty based on outcome of existing SG policy, technology development and UKG policy decisions.

The current Public Buildings Decarbonisation CCP policy package is expected to have an additional cost of around £702 million from 2026 to 2040. Delivery of the target is only costed to 2030 given the need for greater certainty based on outcome of existing SG policy, technology development and UKG policy decisions. It is assumed that most of these costs will be borne by the Scottish Government, with significant costs also falling on local authorities.

[Annex 3 of the CPP](#) also sets out a proposed monitoring framework. It notes that:

“CCP is the first of its kind to be underpinned by statutory just transition principles. Monitoring and evaluation of the plan should, therefore, not only assess the emissions reductions delivered across all sectors, but also the extent to which we are delivering a just transition for Scotland alongside this.”

**Kate Berry, Senior Researcher, SPICe**  
**November 2025**

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