

Consultation on Proposals for a Heat in Buildings Bill

Citizens Advice Scotland Response

The Heat in Buildings Standard

1. To what extent do you support our proposal to prohibit the use of polluting heating systems in all buildings after 2045?

Strongly support

Citizens Advice Scotland (CAS) is committed to action to tackle climate change that makes Scotland a fairer, greener and more equal society. We support a just transition to net zero, which protects individuals most affected by climate change. Decarbonisation of Scotland's buildings is a fundamental aspect of the journey to net zero. On this basis, CAS supports the Scottish Government's proposals to prohibit the use of polluting heating systems in all buildings, where feasible, after 2045.

We note that the consultation indicates that the Scottish Government wishes to complete the legislative process underpinning its heat in buildings strategy by May 2026, subject to the Scottish Parliament's approval. CAS calls on Ministers to bring forward the relevant legislation as soon as possible. If the legislative process is not complete until May 2026, landlords and owner occupiers will have significantly less time to undertake the necessary work to meet new heat standards.

While supportive of this overarching goal, CAS believes that people living on low income or in vulnerable situations should not experience detriment due to the new Heat in Buildings policy. The Scottish Government should maintain or extend its funding of grants and loans for energy efficiency measures and renewables systems. It should also continue to offer enhanced grant and loan amounts to people in rural areas. The Scottish Government should also ensure there is a regulatory framework that protects households that are required to join a heat network.

It is important to recognise that the move to non-polluting heating systems will represent a major shift for many people. The energy efficiency measures and renewable technologies associated with decarbonisation of heat will be unfamiliar to many people. As the journey to net zero unfolds, demand for advice on new heating technology will increase. Guaranteeing that advice services are sufficiently funded will be essential to ensure people are able to navigate these important changes. Failure to do so will impede progress on the journey to net zero. In addition to ensuring that advice services are well-funded, the Scottish Government should develop information tools and publicity campaigns that explain the new heat standard and the ways people can meet it.

CAS supports the Scottish Government's view that these proposals should extend only to a property's 'main' heating system. That approach will give rural households the flexibility to fall back on alternative heating sources in emergency scenarios like adverse weather.

2. To what extent do you agree that we should introduce a minimum energy efficiency standard to be met by private sector landlords by the end of 2028 (even if they are already using clean heating)?

Strongly support

CAS agrees that the Scottish Government should introduce a minimum energy efficiency standard to be met by private sector landlords by the end of 2028, even if they are using clean heating already. Given that tenants in the private rented sector cannot undertake significant energy efficiency improvement measures in their homes, it is right that this duty falls to landlords. The proposals in the consultation are important because there remain too many instances when private rented sector properties are not in a good state of repair. Our recent report *In a Fix* shows that substandard properties and repairs issues are prevalent in Scotland, with repairs advice constituting 10 per cent of all housing advice over the past two years. Energy efficiency and heating is a common reason why tenants in the private rented sector engage the Citizens Advice network in Scotland. People living in energy inefficient homes pay significant sums to stay warm. Damp and mould, which can be symptoms of energy inefficiency, also drives demand for housing advice.

Citizens alert: A West of Scotland CAB reports of a client who was living in a poorly insulated private let. He had put an excessive amount of credit on his electricity meter to stay warm and has multiple health issues. He needed a foodbank referral to meet his basic needs. The CAB also provided him with an energy voucher to help towards his bills.

Improving energy efficiency in homes, including those in the private rented sector, can have a transformative impact on people's wellbeing and household finances. For example, participants in a recent study reported that they experienced fewer physical health problems, felt less anxious about having an old or broken heating system, enjoyed far warmer conditions and became less socially isolated after they received energy efficiency measures.¹ This evidence provides a clear rationale for improving energy efficiency standards in Scotland's buildings.

It is important that the new energy efficiency standard for private rented sector properties is underpinned by regulations that ensure landlords install good quality energy efficiency measures. The Citizens Advice network in Scotland is dealing with an increasing number of cases in which incorrectly installed energy efficiency measures create problems for tenants. Inappropriate measures or heating systems with high running costs may increase energy bills and counteract the drive to reduce fuel poverty in Scotland. To increase the likelihood of landlords installing high-quality measures, the Scottish Government should maintain or extend the current financial support available to them for energy efficiency improvements on their properties. Private rented sector landlords will need time to prepare for the necessary work. Therefore, the Scottish Government should publish its Heat in Buildings legislation as soon as possible, giving landlords a clear view of their new obligations with sufficient time to meet the 2028 deadline.

The Scottish Government should consider how much of the costs associated with meeting the energy efficiency standard landlords can pass to their tenants. If the work required to meet the standard is expensive, the additional costs passed to tenants may obviate any saving they make in their energy bills. Landlords may receive loans from the public purse to install energy efficiency measures and clean heat systems, which will increase the value of their assets. Accordingly, the Scottish Government should consider whether private rented sector landlords who receive public funds should be allowed to pass the entirety of this cost to their tenants.

¹ Sawyer, A., Sherriff, N., Bishop, D. et al. "It's changed my life not to have the continual worry of being warm" – health and wellbeing impacts of a local fuel poverty programme: a mixed-methods evaluation. *BMC Public Health* 22, 786 (2022).

We are aware of cases that highlight tenants' lack of understanding about clean heating systems. The Scottish Government must ensure there is well-funded advice provision and a robust public information campaign explaining how energy efficiency measures and clean heat systems work.

Citizens alert: A North of Scotland CAB reported of a client who had a new panel heating system installed in their home but has not been shown how to use it. The new system costs a lot to run, and the client has unknowingly amassed large arrears. The client was keen to keep the heat and hot water off despite being elderly and having multiple health conditions.

Monitoring and enforcement of these obligations will be crucial. While many private rented sector landlords want to meet their obligations, unscrupulous landlords may seek to avoid the proposed requirements. The consultation lacks detail on which body would be responsible for monitoring and enforcement of these requirements. The Scottish Government must provide further information on how – and by whom – landlords will be monitored. Moreover, it must ensure that the monitoring and enforcement regime is funded adequately.

3. To what extent do you agree that we should introduce a minimum energy efficiency standard to be met in owner occupied homes (which still have a polluting heating system) by the end of 2033?

Strongly support

CAS supports the proposal to introduce a minimum energy efficiency standard for owner-occupied homes by the end of 2033. The provision of high-quality advice must be central to the shift towards the new energy efficiency standard. There is growing demand for advice about energy efficiency already. Data gathered by the Citizens Advice network in Scotland demonstrates that the number of clients seeking energy efficiency advice has increased five-fold from 278 in 2019/20 to 1,694 in 2023/24. There has been a three-fold increase in relation to energy efficiency advice for owner-occupiers from 2019/20 to 2023/24. Ensuring that owner-occupiers have access to well-resourced advice services will facilitate a smoother transition to decarbonised homes in Scotland.

There is significant demand for advice on fuel poverty. The number of clients receiving fuel poverty related advice – prepayment meter credits and/or fuel vouchers – from the Citizens Advice network in Scotland has increased 14-fold from 2019/20 (677 clients) to 2023/24 (9,475 clients). While the largest proportion (63%) of those receiving fuel-poverty related advice are council/social landlord tenants, the group seeing the largest change are owner-occupiers with a 26-fold increase from 2019/20 (24 clients) to 2023/24 (628 clients). This increase underlines the need for owner-occupiers to live in more fuel-efficient homes.

The Scottish Government can use this new standard to make homes cheaper to heat, thus tackling the ingrained levels of fuel poverty in Scotland. The latest Scottish Housing Condition Survey estimated that the fuel poverty rate in Scotland is 31%, equivalent to 791,000 households.² These figures must spur the Scottish Government to take robust action to combat this problem. Fuel poverty has significant impacts on physical and mental health. There is an association between respiratory illness and living in cold homes and there is evidence showing that fuel poverty increases the likelihood of depression

² <https://www.gov.scot/publications/scottish-house-condition-survey-2022-key-findings/pages/3-fuel-poverty/>.

among parents.³ A 2014 estimate suggests that fuel poverty costs the NHS in Scotland around £80 million per year.⁴ This evidence bolsters the rationale for government interventions that improve energy efficiency and combat fuel poverty.

The requirement for owner-occupiers to meet the 2033 deadline must be backed up by a suite of grant and loan offers, high-quality advice provision and a public information campaign. The Scottish Government should consider innovative finance options like the Property Assessed Clean Energy (PACE) programmes available in the United States of America. PACE schemes allow owner-occupiers to fund the upfront costs of energy improvements, with the loan attached to the property rather than an individual owner-occupier.

We also recognise that it is pragmatic for the Scottish Government to propose that owner-occupiers who install clean heat systems will not have to meet the energy efficiency standard. However, there is a risk that properties with older electric heating systems, which have higher running costs, will not require further work to reach the energy efficiency standard. The Scottish Government should consider whether it should require owner-occupiers who have older electric heating systems to meet the energy efficiency standard. Moreover, owner-occupiers installing a new clean heat system should still receive advice and encouragement around further energy efficiency measures they could take in their homes.

Citizens alert: A North of Scotland CAB reported of a single pensioner living alone in a one-bedroom council rented property in the Highlands who was concerned about the high cost of their electricity bills which accounted for around 30% of their income. The client had a prepayment meter and relied solely on electricity throughout the home with storage heaters and solar panels. They reported concerns about expensive bills to the supplier on multiple occasions. One supplier adviser suggested that the client should purposefully self-disconnect, in the height of winter, and call back to request support. The supplier insisted the client was on the cheapest tariff, however, the CAB found this to be incorrect advice and it would be considerably cheaper if the client was transferred to Economy 7. The supplier stated that they could not transfer client to Economy 7 as replacement meters were not available and it wasn't possible to transfer the tariff remotely, despite OFGEM guidance that states this should be available to non-Economy 7 customers.

CAS supports the Scottish Government's proposal that short-term lets should be included in the minimum energy efficiency standard. This provision will disincentivise private sector landlords from designating their properties as short-term lets to avoid meeting the relevant energy standard for private rented sector properties. Likewise, we believe that the standards should apply to agricultural tenancies.

In principle, we support the requirement for empty properties to meet the standard by 2033. Extending the requirements to empty homes will provide an impetus to improve and find new uses for empty homes. However, there should be a grace period to allow owners of empty properties in certain circumstances, for example when people inherit homes from relatives and may need extra time to arrange for the completion of the relevant energy efficiency work.

³ <https://www.nea.org.uk/wp-content/uploads/2020/07/Connecting-Homes-for-Health-Phase-1-Review.pdf>; G. Mohan, 'The impact of household energy poverty on the mental health of parents of young children', *Journal of Public Health*, 44 (2022).

⁴ <https://www.gov.scot/publications/fuel-poverty-target-definition-strategy-scotland-bill-fuel-poverty-strategy/pages/8/>.

4. Do you agree with our proposal to set a minimum energy efficiency standard that can be met by either installing a straightforward list of measures, or showing a good level of energy efficiency based on a reformed EPC fabric efficiency metric?

Strongly support

CAS supports the suggestion to allow meeting the energy efficiency standard through adopting specific measures or showing a good level of energy efficiency through an EPC. Providing these alternatives will make it easier for people to comply with this requirement. Providing multiple routes to achieving the standard is in line with the Scottish Government's intention to make the shift to decarbonised buildings 'affordable, fair and feasible'.

However, there is a risk that offering a one-size-fits-all list of measures will encourage people to install measures that are not right for their property. The Scottish Government should consider developing lists of measures tailored at specific building types rather than a single list. Furthermore, the advantage of obtaining an EPC – especially those based on a reformed the EPC system – is that it gives property owners a clear view of their buildings performance based on its specific characteristics. Having a reformed EPC will allow property owners to make informed choices about what other options they can undertake to improve building performance, including clean heat systems. Therefore, both routes to meeting the standard should be available but homeowners should be encouraged to obtain an EPC even when they meet the standard by installing energy efficiency measures.

5. What is your view on the initial proposed list of measures to meet the minimum energy efficiency standard?

Somewhat support

CAS supports the principle of having a specified list of measures. Creating this list will make the process of meeting the energy efficiency standard clearer for owner occupiers, landlords and businesses. As the consultation notes, many homes will meet the standard already because they have measures from the list already or will require only one or two measures to meet the standard. The Scottish Government should review the list of measures periodically to ensure that it reflects technological developments and the rate of progress towards meeting the new energy efficiency standard.

While a list of measures that are relatively easy to install is welcome, the measures specified in the consultation document may not be applicable to older and rural properties, especially buildings with solid walls. The Scottish Government should consider whether new glazing – alongside a change in planning rules – is an appropriate way to improve the energy efficiency of older or rural properties that cannot accommodate the list outlined in the consultation.

6. Do you think that properties for which most or all of the measures on the initial proposed list are not relevant should be required to meet an equivalent minimum energy efficiency standard?

D. Yes – they should be required to meet the standard and additional measures should be included on the list (such as solid wall insulation, solid floor insulation and flat roof insulation), but they should only be required to install some of these where feasible, and they should be allowed additional time to do so.

It is vital that as many buildings as possible meet a minimum energy efficiency standard, including hard to treat properties where it is feasible to do so. Given that the proposed list of measures will not be applicable to certain properties, the Scottish Government should consider revising its current approach.

For example, it could develop a longer list of measures with specific exemptions or extensions for certain property types. Alternatively, it could develop lists of measures targeted at specific building types like tenements and rural properties.

7. Do you think that an alternative approach to setting the minimum energy efficiency standard is required?

Don't know

Providing a single list of measures – or a series of lists tailored to property types – has the advantage of being straightforward to explain the new requirements to owner-occupiers and landlords. It is worth noting that EPCs provide information about building performance. The Scottish Government should examine whether meeting efficiency standards through an EPC is a better approach than installing measures from a list.

8. Do you agree that the use of bioenergy should continue to be permitted in certain circumstances?

D. Yes, it should be permitted for those buildings already using it **and** for those buildings who have no other clean heating system available.

Bioenergy is a useful alternative to fossil fuels in the short-term, but its use impacts a range of other policy areas like biodiversity and food production. However, buildings that use bioenergy may require extensive changes to move to a clean heating system, leading to potentially extensive additional costs for building owners. It may be the case that some buildings have no feasible or affordable heat source other than bioenergy currently. CAS would support the Scottish Government giving extra time to owners or long-term leaseholders to transition from bioenergy to clean heat sources. That decision would be in line with the overarching ambition of making the shift to the new heat standard 'affordable, fair and feasible' while ensuring progress to net zero overall. Additionally, the Scottish Government should continue to explore solutions like developing carbon capture and storage systems to mitigate the environmental impact of bioenergy.

Property Purchases

Q9: To what extent do you support the requirement to end the use of polluting heating following a property purchase?

Strongly support

Q10: We are proposing to give those purchasing a property a 'grace period' to end their use of polluting heating. Do you agree with this proposal?

Yes, the grace period should be two years.

There is no option to answer this question beyond a straightforward 'yes' or 'no' to a grace period. This response should be read on the basis that we do not have a firm view on the length of time over which a grace period should run and wish to offer an answer not available via the suggested tick-box options.

A grace period will be necessary to balance the imperative of decarbonising homes and the need to manage the added upfront cost of buying a property if purchasers must switch to a clean heating system. The duration of the grace period should depend on purchasers' specific circumstances and the type of building they are purchasing.

Furthermore, the Scottish Government must ensure there is adequate grant and loan funding to help purchasers shift to clean heating systems, with by an uplift for rural areas. The Scottish Government should also engage with lenders to examine how it can support the provision of loans for energy efficiency improvements. Crucially, the Scottish Government must ensure the availability of funding for high-quality advice services that can help people understand their obligations after they purchase a property. Access to advice and information must be a cornerstone of the Heat in Buildings strategy.

It would be helpful to property purchasers if the Scottish Government clarified whether they need only start work on installing a clean heat system or have it completed during a grace period.

Q11: To what extent do you support our proposal to apply a cost cap where people are required to end their use of polluting heating following a property purchase?

Neither support nor oppose

CAS supports the principle of a just transition to net zero that minimises financial impacts on household. We appreciate that a cost cap is one way of reducing the upfront cost of installing a new heating system. There is the potential for a cost cap creating unintended consequences whereby properties that are difficult to upgrade go without a clean heat system. Furthermore, the various cost cap models outlined in the consultation have benefits and drawbacks, and it may be difficult to identify a model that suits the variety of property types and housing markets in Scotland. In addition to consideration of a cost cap, the Scottish Government should examine how it uses grants and loans to mitigate the costs of installing zero direct emissions heat systems, with a particular focus on people living in fuel poverty.

It is also imperative to consider how the Scottish Government can support people experiencing fuel poverty with the running costs of new electric heating systems, particularly when electricity prices remain linked to gas prices. Installing clean heat systems that people in fuel poverty cannot afford to run will counteract the intentions that undergird the Heat in Buildings strategy. A focus on running costs as well as installation costs is imperative given that fuel poverty causes serious detriment to people's wellbeing. Polling conducted in October 2023 by YouGov on behalf of CAS revealed that 31% of respondents were worried and/or anxious about heating their homes adequately. Similarly, 48% of respondents said that energy bills were their biggest financial concern during winter 2023. Ensuring there is funding to support people in fuel poverty who adopt clean heating systems should be an essential component of a just transition to net zero.

Citizens alert: A South of Scotland CAB reported of a client who had an inefficient heat pump installed. The client lived in a rural area on her own and had lost her husband the previous year. When her husband had required oxygen at home, their energy bill averaged £110 per month. Through a grant, the client had solar panels and a heat pump installed and is since billed around £230 per month, which she cannot afford. She felt that improper heat pump installation training and the lack of adjustment per individual property depending on internal pipework, radiator sizes and dampness, etc., had resulted in higher energy usage than predicted. Furthermore, the lack of engineers in the region resulted in long waiting times and reduced capacity to return to the property to make necessary adjustments. The inefficient installation and unsatisfactory technology 'after-care' meant the client saw her energy bills increase to an unmanageable level, pushing her into a more vulnerable situation.

Citizens alert: A North of Scotland CAB reported of a client who cannot afford to continue living in their property because their energy bills are so high. They have an exhaust air heat pump and have

been advised to keep it on winter setting all year round although the system itself says this approach is more expensive. They had to request numerous top ups from a local fuel poverty charity and were fearful of their January bill.

Q13: To what extent do you support the proposal that the Scottish Ministers should be given powers to extend the circumstances in future (beyond a property purchase) in which people could be required to end their use of polluting heating?

Strongly support

CAS agrees that the proposed Heat in Buildings Bill should include provisions to give Scottish Ministers the powers to extend the circumstances in which people could be required to end their use of polluting heating. If the uptake of clean heating is slow, Ministers could exercise these powers to end the use of fossil fuel boilers during planned boilers replacements. Any new requirements must come with appropriate information, advice and financial support available.

Connecting to Heat Networks

Q14: To what extent do you support our proposal to provide local authorities (and Scottish Ministers) with powers to require buildings within a Heat Network Zone to end their use of polluting heating systems by a given date?

Somewhat support

There will be instances when connecting to a heat network is the most feasible and cost-effective way for property owners to move away from polluting heating systems. High-density areas with high numbers of tenements appear particularly suited to heat networks. Building economies of scale and buttressing business cases are essential to ensuring the growth of heat networks. On this basis, designating certain areas as Heat Network Zones and requiring buildings therein to join the network is reasonable.

However, heat networks pose potential risks related to customer protection. Currently, heat networks remain unregulated, with only voluntary measures like Heat Trust available to protect consumers. Furthermore, consumers cannot switch heat suppliers even if they find their heat network is unaffordable or difficult to understand. CAS’s work with residents of the Wyndford Estate in Glasgow highlighted the problems associated with heat networks. In 2017 and 2018, the operator of the heat network at Wyndford disconnected over 100 homes. There were further disconnections in 2021. Both high standing charges and inflexible payment models contributed to consumers accruing fuel debt. The unregulated nature of heat networks meant that the network operator could not install prepayment meters to deal with these debts. Instead, the operator disconnected the homes entirely. (Please note that we do not support the forced installation of prepayment meters in any circumstance).

Citizens Alert: A West of Scotland CAB reported of a client with £2400 of fuel debt. The client lived on Wyndford estate and was supplied with heat by SSE’s heat network. He was not aware he was on a heat network and thought he had a heat pump. He was a full-time carer for his disabled son and his only income came from Universal Credit. The client could not make ends meet on his current income. He was paying £55 a month for his heat, £47 of which coverages his usage and £8 of which went towards his arrears. The client’s mental and physical health deteriorated due to stress.

The problems that Wyndford’s residents experienced underline the lack of proper protections for heat network customers. In line with the provisions around quality of service in the heat network licencing

regime set out in the Heat Networks (Scotland) Act 2021, the Scottish Government should require heat network operators to perform ongoing affordability checks with consumers. Moreover, the Scottish Government must ensure people required to join heat networks have access to guidance about how their heating systems work at prior to the network becoming operational. Additionally, the Scottish Government should ensure funding is available for advice services, which can provide impartial information to people about their rights in relation to heat networks.

CAS notes that the Energy Act 2023 includes provisions to make Ofgem the regulator for heat networks. The Scottish Government should engage Ofgem to shape its approach to pricing and other aspects of consumer protection that fall under its regulatory ambit.

Q15: To what extent do you support our proposal to provide powers to local authorities (or Scottish Ministers) that require developers to connect new buildings withing Heat Network Zones to a heat network?

Somewhat support

Our previous comments about consumer protections and affordability apply to new developments. The Scottish Government should require developers and operators to explain how heat networks work and outline relevant consumer protections to people moving into new developments.

Q16: To what extent do you support our proposal to require occupiers of non-domestic properties to provide information about unused heat on their premises?

Somewhat support

Identifying sources of waste heat to support heat network development is a reasonable suggestion, providing that requests for information are feasible and affordable. Given that current non-domestic energy tariffs are not subject to price caps, local authorities and the Scottish Government should exercise caution in imposing additional energy-related costs to occupiers of non-domestic buildings. The Scottish Government should clarify whether the cost for collating and reporting this information would fall on the building occupier or the public purse. If occupiers of non-domestic properties receive a request for information about unused heat, local authorities should provide them with information about how to obtain and report results accurately. This information might include information about appropriately qualified local surveyors who can carry out the necessary work.

Q17: To what extent do you support our proposal to potentially require buildings with unused heat to provide this to a local heat network?

Somewhat support

CAS supports this suggestion on the proviso that any requirement to provide waste heat to a network should be feasible and affordable for building occupiers. In line with our previous answer on providing information about waste heat, the Scottish Government should clarify how the costs associated with providing waste heat would be apportioned.

Monitoring and Enforcement

Q18: We will need to have a way to monitor if people are meeting the Heat in Buildings Standard, and discussed two options [EPCs and desk-based sampling] for this. Which do you support?

C. A combination of the two

As the consultation notes, EPCs are an established and relatively well-understood tool that people use when purchasing a property. Additionally, there is an existing EPC Register, which provides ready access to the information a monitoring body will require. However, requiring people to obtain an EPC imposes extra cost on owner-occupiers, landlords and businesses. The Scottish Government should consider allocating funding for acquiring EPCs.

Sampling would reduce costs for building owners and occupiers but a desk-based approach covering only a small percentage of homes may not capture accurately the actual energy performance of Scotland's building stock in its full variety. Nor would sampling help identify potential further energy efficiency measures in the same way as an EPC.

Given the strengths and weaknesses inherent in the EPC and sampling approaches, combining both would make the monitoring system more robust. On this basis, CAS supports a combination of the two approaches.

Crucially, the results of the monitoring process should guide the Scottish Government's evaluation of its Heat in Buildings policy and inform any changes to it. For example, monitoring will yield useful information about whether Scotland is on track to decarbonise its buildings quickly enough and if more support – financial or otherwise – or amended legislation is needed to ensure the policy succeeds.

Q19: We will need to have a way to enforce the Heat in Buildings Standard. We discussed possible options to help achieve compliance. What are your views on these ideas?

e. I do not support the suggested enforcement tools, but have another suggestion (please provide below).

CAS supports civil penalties for private rented sector landlords who do not install energy efficiency measures and a clean heat system because tenants have limited agency that tenants have to install energy efficiency themselves.

However, we have strong reservations about introducing civil penalties on other groups who do not meet the required energy efficiency standard. Imposing civil penalties on other building owners or occupiers who do not meet the requirements may exacerbate existing trends which groups experience civil law problems. For example, the 2019-20 Scottish Criminal Justice Survey showed that around 36% of disabled people encountered a civil law problem compared with 26% of people who are not disabled.⁵ Furthermore, Scottish Government has noted that people living in the most deprived parts of Scotland experience a higher possibility of facing civil law problems, including problems with debt.⁶ The Scottish Government should not introduce new civil penalties that risk compounding these trends.

Similarly, we do not support extra Council Tax payments as an enforcement mechanism. While the amount of Council Tax-related debt being brought to the Citizens Advice network in Scotland has now returned to pre-pandemic levels, the average Council Tax debt has increased for both owner-occupiers (up 11%) and private sector tenants (up 13%). The average Council Tax debt that clients presented in Q1 of 2023/24 (April to June 2023) was £3,218.93. A similar picture can be seen in relation to the number of clients presenting Council Tax debt to our network. Although this is also at pre-pandemic

⁵ [Civil justice problems - Civil justice statistics in Scotland 2021-22 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/civil-justice-statistics-2021-22/pages/10-civil-justice-problems-in-scotland-2021-22.aspx).

⁶ [Current and emerging challenges - Justice in Scotland: vision and priorities - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/justice-in-scotland-vision-and-priorities/pages/10-current-and-emerging-challenges.aspx).

levels, there has been a 13% increase in the number of owner-occupiers with this debt and an 18% increase in RSL tenants. It is important to note that debt problems, including Council Tax debt, does not exist in a vacuum. Rather, they are indicative of people having a range of challenges that flow from having incomes that are insufficient to support an acceptable standard of living. Indeed, from October to December 2020/21, advice provided by the Citizens advice network in Scotland related to debt was much less likely to be given as the sole advice type (28%) than to be given with other types of advice (72%). This data points to the interconnectedness between debt and other problems, including fuel poverty. Therefore, we are concerned that using Council Tax to enforce compliance will exacerbate the already unacceptably high levels of Council Tax debt in Scotland. Similarly, we believe there is a risk that this approach will have a punitive impact on people struggling with fuel poverty – the very cohort who should be at the heart of Heat in Buildings policy.

Q20: To what extent do you support our proposals to modify the Standard or exempt certain people from the need to meet the Heat in Buildings Standard?

Somewhat support

CAS supports the principle of ensuring that vulnerable people are protected from any financial or practical detriment associated with meeting the Heat in Buildings standard. This position is in line with the Scottish Government’s desire to make this process ‘affordable, fair and feasible’. Equally, we want to ensure that vulnerable households and people experiencing fuel poverty can benefit from the advantages that improved energy efficiency brings. Therefore, the Scottish Government should ensure adequate funding is available to make meeting the standard more affordable. Rather than exemptions, it may be more beneficial to create an appeals process through which people can explain why they need an exemption rather than adopting a default position that they should be exempt. The appeals process should be straightforward and include signposting to advice services that can support people making an appeal.

Q21: Which people, businesses, or types of buildings, if any, should be eligible for a modified standard or exemptions?

Exempting buildings that are due to be demolished is reasonable and in line with the Scottish Government’s commitment to ensuring its Heat in Buildings policy is feasible.

There may be additional costs for energy efficiency work on properties in rural areas. There should be grounds for appeal that allow people living in rural areas to outline why meeting the standard is too costly or unfeasible.

Q22: To what extent do you support our proposals to give certain people extra time to meet the Heat in Buildings Standard?

Strongly support

Q23: Which people, businesses or types of buildings, if any, should be eligible for extra time?

People in fuel poverty should be given financial support, access to high-quality advice and extra time rather than an outright exemption to complete the necessary works. Retaining the requirement to make improvements – albeit over a longer period – will ensure that households experiencing fuel poverty accrue the benefits of improved energy efficiency while guarding against imposing unaffordable costs on them. This approach will underscore the Scottish Government’s commitment to a just transition to net

zero. The Scottish Government should prioritise households in fuel poverty when allocating financial resources that will assist people to meet the Heat in Buildings Standard. One way of channelling funding to people in fuel poverty is through Warmer Homes Scotland as this scheme extends eligibility to people in receipt of a broad range of social security payments.

CAS notes that the Scottish Government intends to place the obligation to move away from a polluting heating system after a property purchase on the buyers. This policy will introduce potential additional costs for buyers, including first-time buyers. Recognising the difficulties first-time buyers experience getting on the property ladder, the Scottish Government should consider providing them with an extended grace period to meet this obligation. Providing more time while maintaining the obligation to meet the Heat in Buildings standard means that properties bought by a series of first-time buyers will still be improved while providing the buyer with more time to pay for the work required to meet the proposed requirements.

There should be no extensions or exemptions for people purchasing multiple properties to build up a property portfolio.