



# What you need to know: the updated Climate Change Plan 2018-2032

## Background

The Scottish Government published the [Climate Change Plan: the third report on policies and proposals: 2028-2032](#) in February 2018. New primary legislation has since been brought forward as a response to the global climate emergency. The [Climate Change \(Emissions Reduction Targets\) \(Scotland\) Act 2019](#) commenced in March 2020. The legislation sets annual and interim targets for Scotland to reach net zero emissions by 2045, a more ambitious target, and included a commitment to review the Climate Change Plan in light of this.

The [updated Climate Change Plan](#) was published 16 December 2020, ahead of the next full plan expected to be published in early 2025. The updated Plan sets out an accelerated route to reducing emissions, including the new interim target of 75 percent reductions by 2030. It also focusses on how this will contribute to a 'green recovery' from Covid-19.

The updated Plan includes a full list of policies at Annex A clearly marking where existing policies have been maintained or made more ambitious and where new policies have been added. This briefing summarises the main implications for the housing sector.

## Housing, carbon emissions and fuel poverty

Our homes generate **around 16 percent of carbon emissions each year** and so the housing sector has a significant role to play in reaching the net-zero target.

Investing in efficiency and renewable energy can reduce carbon emissions and reduce energy bills. However, the expense of some measures means that there is a risk of increasing fuel poverty if the costs of retrofit or new installations are passed on to households on low incomes.

The updated Plan acknowledges the statutory targets

for **reducing fuel poverty to no more than 5 percent of households and extreme fuel poverty to no more than 1 percent of households by 2040** and commits to delivering a fair and just transition, ensuring that the burden does not fall on those least able to pay.

## EESSH2

Energy Efficiency for Social Housing post 2020 (EESSH2) is the new standard that will follow on from EESSH. Informed by consultation and the EESSH Review Group, the EESSH2 milestone has been set:

*All social housing meets, or can be treated as meeting, EPC Band B (Energy Efficiency rating), or is as energy efficient as practically possible, by the end of December 2032 and within the limits of cost, technology and necessary consent.*

The Scottish Government has published [draft guidance on meeting EESSH2](#) and had planned to carry out a formal review of the 2032 milestone in 2025. However, **the updated Climate Change Plan brings this review date forward to 2023.**

## LHEES

Local Heat and Energy Efficiency Strategies (LHEES) are intended to set out local frameworks for reducing energy demand and decarbonising heat supply to buildings, including identification of zones suitable for heat networks.

Following consultation in November 2017, the **Scottish Government has been working with local authorities with the intention of making LHEES a statutory requirement.**

12 local authorities took part in a [phase 1 pilot project](#) and a further 11 took part in a [phase 2 pilot project](#) looking at different aspects of LHEES implementation. The final 9 local authorities were invited to take part



in a final pilot project due to be completed in December 2020.

The updated Plan confirms that **all local authorities should have LHEES in place by the end of 2023.**

### Low carbon and renewable heating

The updated plan states that **50 percent of homes, around one million households, will need to convert to low or zero carbon heating systems by 2030.** A long term vision for heat will be set out in the Scottish Government's Heat in Buildings Strategy due to be published in 2021. It will update the Energy Efficient Scotland Route Map and put in place standards and regulation for heat and energy efficiency.

The Plan also confirms that **all new build homes will have to have zero emissions heating systems by 2024** but that evidence is being sought on the impact and feasibility of bringing this standard forward.

Significant scaling up of low carbon heat across all tenures will be supported by £1.6 billion for heat and energy efficiency announced in the Programme for Government. **This is intended to double installations of zero emission heating systems in new and existing homes each year until 2025.**

### The CIH View

We welcome the Scottish Government's ambitious targets to reduce emissions and tackle fuel poverty, but these targets must be underpinned by action. Significant investment will be needed to ensure that targets are met without making low income households worse off.

The Plan cites progress made by social landlords in improving energy efficiency of existing housing stock. While this progress is to be applauded, the vast majority of investment in meeting EESSH to date has been made by social landlords themselves, which means that improvements are being paid for by tenants through rent increases. Between 2015-16 and 2018-19, social landlords invested over £373 million from their own resources towards meeting EESSH, 86 percent of the total spend. This level of spending is not sustainable and the Scottish Government must significantly increase investment in existing homes and new affordable housing to meet commitments for a fair and just transition.

### Links with other sectors

Improvements to transport infrastructure, a focus on active transport and the idea of **20 minute neighbourhoods** will change the way that new housing developments are planned and delivered.

The current pandemic has highlighted the need to create places that better meet people's needs locally, with accessible amenities and green spaces which can help to improve people's physical and mental wellbeing. You can read a blog about the concept of 20 minute neighbourhoods [here](#).

The updated Plan states that lessons from key demonstrator locations will be shared from 2021. It also highlights the role of the new National Planning Framework 4, regional special strategies and local development plans alongside more established tools like the Place Standard in delivering infrastructure that improves quality of life as well as meeting the net zero target.