

Heat in buildings strategy – achieving net zero emissions

Equality Impact Assessment

November 2021

Equality Impact Assessment - Results

Title of Policy	Heat in Buildings Strategy
Summary of aims and desired outcomes of Policy	The Heat in Buildings Strategy sets out a pathway to zero emissions buildings by 2045 and details a series of near-term actions to put us on a clear path towards this, as well as a range of further, longer-term commitments to accelerate the transformation of the nation's building stock. It sets out the principles we will apply to ensure our zero emissions heat delivery programmes support our fuel poverty objectives.
Directorate: Division: team	Energy & Climate Change: Heat in Buildings Division: Heat Strategy Unit

Executive summary

1. An Equality Impact Assessment (EqIA) is a systematic and evidence based approach for identifying and removing any barriers arising from a policy, procedure, or practice that has the potential to cause discrimination against a protected characteristic, as specified by the Equality Act 2010.

2. This EqIA is for the Heat in Buildings Strategy published on 7 October 2021.

3. A framing exercise was carried out by the Scottish Government which raised a number of points:

- The Strategy could impact on a high percentage of Scotland's population, especially older people, disabled people or those with a long term health condition where it is suggested that these groups may spend more prolonged periods at home and have a higher likelihood of experiencing fuel poverty.

- Heat decarbonisation can bring benefits to households and businesses, but communications in relation to the Strategy must be accessible to ensure that all can understand the objectives. A wide variety of communication mediums should be used to engage groups of different ages and income, some of whom may not be familiar with the internet or have limited access.
- Low and zero emissions heating systems bring new technology. Their roll out must be done in such a way that it makes it accessible to all, particularly those who have low technical literacy, or those for whom English is not their first language.
- Retrofitting heat systems can cause disruption which may have a higher impact on older householders, those with disabilities or those that are expecting or have young children. This means that these types of households may require additional support throughout the process.
- There may be challenges around improving energy efficiency and ventilation in Gypsy/Traveller accommodation.

4. The actions from the Strategy will provide multiple benefits to all people living in Scotland by:

- Reducing greenhouse gas emissions thus helping to meet our climate change targets
- Making our homes and buildings warmer and more comfortable
- Reducing our demand for heat and removing poor energy efficiency as a driver of fuel poverty
- Introducing systems which are smart and provide a reliable source of heat
- Creating a secure supply chain with high value local sustainable jobs across Scotland and helping people to transition to new, secure jobs as part of a just transition
- Providing cleaner air in outdoor and indoor spaces

5. The impact of the Strategy on the protected characteristics has been considered as a result of the assessment. A number of mitigations are outlined.

6. As the Strategy's actions are progressed, the Scottish Government will continue to work with a wide range of stakeholders, including organisations that work with or represent EqIA groups to support the

delivery and implementation of each policy area and in ongoing consideration of equalities impacts.

7. We are currently in the process of developing a governance structure for the implementation of the Heat in Buildings Strategy which will include an annual review. As part of this process, we will commit to ensuring that a diverse range of organisations are involved as key stakeholders and this will include those that represent equality groups.

Background

Policy Aim

8. Following the passage of the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019, Scotland has set a statutory target for net-zero greenhouse gas emissions by 2045, with interim emissions reductions of 75% (by 2030) and 90% (by 2040).

9. This followed the First Minister's recognition of a global climate emergency. In response, the Scottish Government set out the initial action it would take, as part of the Programme for Government 2019-2020.

10. The Scottish Government committed to publishing a draft Heat Decarbonisation Policy Statement, providing an update to the 2015 Heat Policy Statement in the summer of 2020, but due to the ongoing Covid-19 pandemic this was delayed until the winter of 2020/21.

11. Scottish Ministers then took the action to merge the Statement with an update to the Energy Efficiency Route Map creating the Heat in Buildings Strategy, a single policy framework to eliminate emissions from buildings by 2045.

12. In December 2020, the Scottish Government published a Climate Change Plan update , which set out that to meet our emissions reduction targets, emissions from buildings must fall 68% by 2030 against 2020 levels.

13. The draft Heat in Buildings Strategy was published in February 2021. Following consultation, and analysis of responses, the Scottish Government has now published a final Heat in Buildings Strategy.

14. This final Heat in Buildings Strategy sets out a pathway to zero emissions buildings by 2045 and details a series of near-term actions to

put us on a clear path towards this, as well as a range of further, longer-term commitments to accelerate the transformation of the nation's building stock. It sets out the principles we will apply to ensure our zero emissions heat delivery programmes support our fuel poverty objectives.

Summary of desired outcomes of the Heat in Buildings Strategy

15. The Strategy sets out a vision for over 1 million homes in Scotland to convert to zero emissions heating by 2030 and the equivalent of 50,000 non-domestic buildings. Emissions will have to fall by 68% by 2030 as compared to 2020 and to maintain progress towards our statutory emissions reduction targets, heating installations must scale up to provide at least 124,00 systems installed between 2021 and 2026. The installation rate will need to peak at over 200,000 new systems per annum in the late 2020's which is above the natural replacement rate for boilers.

16. In terms of energy efficiency, the Strategy sets out that where technically and legally feasible and cost-effective, by 2030 a large majority of buildings should achieve a good level of energy efficiency, which for homes is at least equivalent to an EPC Band C, with all homes meeting at least this standard by 2033.

17. The Strategy is aligned with wider Scottish Government policy on housing, energy, and climate change. The actions it sets out are reflected in our Housing to 2040 Strategy, which also presents further details on how our housing can support achievement of Scotland's net zero ambitions, whilst also delivering against wider objectives.

18. We envisage that the delivery of our Heat in Buildings Strategy will secure a wider set of outcomes that will benefit Scotland's people and places. These Heat in Buildings outcomes are aligned with our National Performance Framework, and will guide our decision making and support the development of a holistic, people-centred approach to the transition ahead. They are:

- Heating our homes and buildings no longer contributes to climate change
- The cost of heating our homes and business is affordable and those occupying them have a high comfort level
- We have reduced our demand for heat and poor energy efficiency is no longer a driver of fuel poverty

- The systems we use are smart and resilient and provide us with a reliable source of heat
- We have a secure supply chain with high value, local, sustainable jobs across Scotland and people have been helped to transition to new, secure jobs as part of a just transition
- Our indoor and outdoor spaces are filled with cleaner air
- Our heating systems enable and efficiently use Scotland's renewable energy resources
- Electricity and non-electrical fuels are produced from sustainable sources in a way which is consistent with net zero emissions and biodiversity targets
- Our heating systems enable the flexible and stable operation of our energy networks

19. The Heat in Buildings Strategy forms the foundation of our ongoing work, which will build on the insight and evidence generated by the consultation and wider input. Next steps include:

- We will develop our approach to heat in islands and remote rural contexts in our forthcoming Islands Energy Strategy in 2022 (which will complement the existing National Islands Plan).
- We have separately committed to publish a refreshed Energy Strategy and an Energy Just Transition Plan in Spring 2022. This will allow us to further refine our approach to heat in buildings, ensuring a coherent whole-system view and further embedding our evolving policies within our wider approach to delivering on a just transition.
- We will set out our approach to eradicating fuel poverty in the Fuel Poverty Strategy by the end of 2021.
- We will develop a bespoke Public Engagement Strategy for heat in buildings.
- We will co-produce with the sector a Supply Chain Delivery Plan focussed on the development of energy efficiency and zero emissions heat in the buildings supply chain in Scotland.
- We will establish a Green Heat Finance Taskforce by the end of this year.

20. The Strategy sets out that as we transform our homes and buildings over the next two decades we will do so in a way that continues to help eradicate fuel poverty and protect our most vulnerable citizens.

21. In addition to this, the Scottish Government's ambition to eradicate child poverty is set in statute through the Child Poverty (Scotland) Act 2017. The headline measure is to reduce relative child poverty from

around 24% (240,000 children) to fewer than 10% (100,000) children by 2030-31, with an interim target of 18% (180,000 children) to be met by 2023-24. We will publish our second Tackling Child Poverty Delivery Plan in March 2022.

22. Further, the Fuel Poverty (Targets, Definition and Strategy) (Scotland) Act 2019 requires that by 2040, as far as reasonably possible no household in Scotland is in fuel poverty and, in any event, no more than 5% of households in Scotland are in fuel poverty and no more than 1% of households in Scotland are in extreme fuel poverty, and the median fuel poverty gap is no more than £250 adjusted for 2015 prices.

23. As we transform our homes and buildings by making them more energy efficient and installing low and zero emissions heating, we will consider local surroundings and resources, whether in dense urban or suburban areas or smaller rural towns and villages or in our remote and island communities. As such, the transition to zero emissions buildings may look different in different communities and will require approaches tailored to place.

Public Sector Equality Duty

24. In developing our strategy the Scottish Government is mindful of the three needs of the Public Sector Equality Duty (PSED):

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

25. Where any negative impacts have been identified, we have sought to mitigate/eliminate these. We are also mindful that the equality duty is not just about negating or mitigating negative impacts, as we also have a positive duty to promote equality.

Who will it affect?

26. The Heat in Buildings Strategy will impact building owners, including homeowners and landlords (including social housing providers) as well as their tenants, owners of business and commercial premises, public sector building owners, and residents across Scotland in communities

and geographies of all types regardless of the protected characteristics. However, we expect the Strategy to affect different groups in different ways. Evidence suggests that the following groups may be more impacted than others:

- Those in or at risk of fuel poverty
- Those with lower incomes and lower wealth
- Tenants
- Those in comparatively disadvantaged or deprived areas
- Those in hard to treat properties or in remote and rural areas which may have a more restricted technology choice.

27. Further, it is possible that impacts may be varied and potentially more acute based on protected characteristics (age, disability, sex, gender reassignment, sexual orientation, race, religion or belief, pregnancy and maternity).

28. The costs of the heat transition will impact everyone and if there were no support provided, those in these groups may see increased costs for the conversion to low and zero emissions heating systems, as well as potentially increased running costs. The Strategy is clear that support will be targeted at those least able to bear these costs.

29. The actions from the Strategy will be able to provide multiple benefits to all people living in Scotland by:

- Reducing greenhouse gas emissions thus helping to meet our climate change targets;
- Making our homes and buildings warmer and more comfortable
- Reducing our demand for heat and removing poor energy efficiency as a driver of fuel poverty;
- Introducing systems which are smart and provide a reliable source of heat;
- Creating a secure supply chain with high value local sustainable jobs across Scotland and helping people to transition to new, secure jobs as part of a just transition; and,
- Providing cleaner air in outdoor and indoor spaces.

What might prevent the desired outcomes being achieved?

30. The desired outcome for the Strategy is for at least 1 million homes in Scotland to be zero emissions by 2030 alongside the equivalent of 50,000 non-domestic buildings.

31. Significant stakeholder time and knowledge has gone into the drafting of the Strategy. We have consulted extensively through a full public consultation and stakeholder workshops and established an External Advisory Group (EAG). This group is made up of external Stakeholder representatives, including from the energy and housing sectors, who provided input into key policy areas during the development of the Strategy.

32. Key risks that might prevent the desired outcomes from being achieved, specifically in relation to this EqIA, include:

- Lack of adequate engagement and information for the public
- Lack of support for the installation of low and zero carbon heating systems

33. We are developing a bespoke public engagement strategy for heat in buildings, which will raise awareness of the support and advisory services available and to encourage home upgrades. This builds on the objectives and guiding principles of our Public Engagement Strategy for Climate Change, as well as our existing support and advice programmes.

34. We also have a range of delivery programmes which currently provide, and will continue to provide, support for consumers (such as CARES, Area Based Schemes, and Warmer Homes Scotland). These are outlined further in this EqIA.

The Scope of the EQIA

35. After the completion of Stage 1, the Scottish Government is of the view that an EqIA is required.

36. At Stage 2, the Scottish Government considered evidence about the potential impacts on people in regards to the following characteristics:

- Age
- Disability
- Sex
- Gender reassignment
- Sexual orientation
- Race
- Religion or belief
- Pregnancy and Maternity

37. A public consultation on the draft Heat in Buildings Strategy commenced in February 2021 and ran for 12 weeks. 178 respondents submitted a response, providing an invaluable resource to support ongoing policy development.

38. Online consultation events were held with stakeholders invited from a range of representatives from various sectors including environmental and energy sector, local authorities, social landlord representative bodies, advice and information bodies, stakeholder groups and the construction sector. Organisations that represented people with one or more of the protected characteristics we made aware of the consultation.

39. The consultation document included a specific question to establish whether any of the proposals set out in the Strategy could unfairly discriminate against any person in Scotland who shares a protected characteristics (age, disability, sex, gender reassignment, pregnancy and maternity, race, sexual orientation, religion or belief). There were 74 responses to this question.

40. Evidence was also gathered via a social research project, a Broad Evidence Review on the likely equality implications of heat decarbonisation in buildings for consumers in Scotland. This paper considered each of the protected characteristics and has informed the EqIA.

41. The Scottish Government has also gathered qualitative and quantitative data from:

- National Statistics: Scottish Household Survey, 2019
- National Statistics: Population Estimates by Urban Rural Classification
- National Statistics: Poverty and Income Inequality in Scotland 2017-20
- National Statistics: Annual Survey of Hours and Earnings 2020
- Legislation: The Fuel Poverty (Enhanced Heating) Scotland Regulations 2020 – Draft
- Evidence Reviews: Liddell & Morris, 2010; Marmot Review Team 2011
- Qualitative Study: Ipsos MORI, 2020
- Quantitative Study: Somerville et al., 2000
- Qualitative Study: Mould & Baker, 2017
- Evidence Review: Karjalainen, 2011
- Qualitative Study: Melone, 2019

- Charity: Tommy's Pregnancy Hub
- Survey: The Scottish LGBT Equality Report 2015
- UK Survey: National LGBT Survey 2019
- National Statistics: Scottish Surveys Core Questions 2019
- Evidence Review: Sexual Orientation in Scotland 2017 (using Scottish Surveys Core Questions 2015)
- National Statistics: Scottish Surveys Core Questions 2019
- National Statistics: 2011 Census
- Evidence Review: Is Scotland Fairer? 2018

Key Findings

42. This EqIA identified a range of potentially positive and negative impacts of the Heat in Buildings Strategy and actions that will be undertaken to mitigate the negative impacts.

43. Key findings have been that some people may experience negative impacts as a result of one or more protected characteristic. In particular these possible negative impacts centre around challenges with:

Age

- Cost (installation, upkeep and running costs of low and zero emissions heating systems due to lower income levels); and,
- Engagement (accessibility of advice and services, being informed, included and supported).

Disability

- Cost (installation, upkeep and running costs of low and zero emissions heating systems due to lower income levels); and,
- Engagement (accessibility of advice and services, being informed, included and supported).

Sex

- Cost (installation, upkeep and running costs of low and zero emissions heating systems due to lower income levels).

Paternity and Maternity

- Cost (installation, upkeep and running costs of low and zero emissions heating systems due to lower income levels).

Gender reassignment

- Cost (installation, upkeep and running costs of low and zero emissions heating systems due to lower income levels).

Sexual orientation

- Cost (installation, upkeep and running costs of low and zero emissions heating systems due to lower income levels).

Race

- Cost (installation, upkeep and running costs of low and zero emissions heating systems due to lower income levels); and,
- Engagement (accessibility of advice and services, being informed, included and supported).

Religion or belief

- Cost (installation, upkeep and running costs of low and zero emissions heating systems due to lower income levels); and,
- Engagement (accessibility of advice and services, being informed, included and supported).
- Impact on Cultural cooking practices.

Marriage and Civil Partnership

- None.

A number of mitigations have been put forward.

Recommendations and Conclusion

Mitigations

Access to advice and support

44. Scottish Government Heat in Buildings Delivery Programmes such as Warmer Homes Scotland, Area Based Schemes, Home Energy Scotland Loans, and CARES provide advice and support to communities and those that fall under protected characteristics.

45. We will ensure that the remit of the forthcoming Green Heat Finance Taskforce will consider challenges experienced by those with protected characteristics.

46. Home Energy Scotland (HES) provides free, impartial advice including specialist bespoke advice on home renewables. HES is also the gateway to loans and grants programmes from Scottish Government for energy efficiency improvements and zero emissions heating in

homes in Scotland, for example the HES loan which covers up to 100% of the cost of measures and offers cashback of up to 45% on energy efficiency measures and 75% for renewables measures.

47. Area Based Schemes provide funding to local authorities to develop and deliver energy efficiency programmes in areas with high levels of fuel poverty.

48. Our new CARES programme will support communities to work together to address and champion heat decarbonisation on a local level. Through CARES we will work to understand further the models and solutions most appropriate for communities in Scotland.

Potential for increased costs

49. The Scottish Government will kick start this transition with at least £1.8 billion of capital investment over the next five years. We will target our funding to support the most vulnerable and to strike the right balance to ensure fairness, particularly between those who make the transition early (and so potentially face higher lifetime costs) and those who, because, for example, infrastructure is not available, transition much later. To do this we will target our interventions through our delivery programmes so that they do not have a detrimental effect on fuel poverty and will build in additional support where required to ensure people can continue to enjoy warm homes that are affordable to heat.

50. We will build on the actions already set out in our draft Fuel Poverty Strategy with the publication of a final Fuel Poverty Strategy by the end of 2021 setting out how we will eradicate fuel poverty, including action across all four drivers – low household income, high energy prices, poor energy efficiency, and how energy is used in the home.

51. We have published in the Strategy a set of guiding principles to underpin our commitment that no one is left behind in the heat transition, ensuring we only take forward actions where they are found to have no detrimental impact on fuel poverty rates, unless additional mitigating measures can also be put in place.

Improving thermal comfort

52. High standards of energy efficiency are essential to reduce the overall demand for energy. Alongside energy saving behaviours these

measures can help to ensure running costs remain affordable. We will continue to take a fabric first approach as it underpins the successful roll out of low and zero emissions heating, as well as being an important aspect of tackling fuel poverty.

53. Homes with higher levels of energy efficiency tend to have lower rates of fuel poverty. As set out in the 2018 Energy Efficient Scotland Route Map we believe that homes with households in fuel poverty should reach higher levels of energy efficiency. We want to see homes with fuel poor households improved so they reach an energy efficiency rating equivalent to EPC C by 2030 and equivalent to EPC B by 2040.

54. Over the next five years, we will invest at least £465 million to support those in fuel poverty in the heat transition and to help remove poor energy efficiency as a driver of fuel poverty. We will continue to deliver energy efficiency investment to support fuel poor households to make homes warmer and cheaper to heat and to reduce the impact of any potentially increased running costs from zero emissions systems. We will seek to improve targeting so that we can reach more households in fuel poverty.

Promoting employment opportunities

55. We will work with Scottish Renewables and Skills Development Scotland to undertake a Heat in Buildings Workforce Assessment project to build an evidence base in support of the wider skill requirements and opportunities in the heat in buildings transition including the timings of when skills are required, how best to support the transition opportunity from other industries, support training and the provision of local jobs across Scotland, as well as the development of apprenticeships in this area. This will consider challenges experienced by those with protected characteristics.

56. The development of a Heat in Buildings Supply Chain Delivery Plan by Summer 2022, which will focus on strengthening the broad supply chains needed to deliver energy efficiency and zero emissions heat in buildings at the pace and scale we need. Part of this work will consider the skills and training opportunities for young people.

Engagement

57. We will continue ongoing stakeholder engagement, including representation for consumers that has a regard for protected characteristics, through our revised governance framework.

58. We will ensure that challenges and opportunities in different communities across Scotland are recognised through the development of our Public Engagement Strategy for Heat in Buildings. The forthcoming National Public Energy Agency will provide leadership and coordination to deliver on our heat decarbonisation targets, which will include public engagement across Scotland to ensure that people are aware of and understand the changes that are necessary, and can access the right support at the right time to meet their needs. The Public Engagement Strategy will provide the framework to guide how the Agency can best achieve this in practice. Further details will be set out in due course.

59. Further, the CARES Equalities Charter sets out aims to:

- Regularly engage with groups representatives of minorities and vulnerable and disengaged to consider how CARES may continuously improve its Equalities charter and work better to support these groups;
- Increase the take-up of CARES services from ethnic minority groups;
- Increase the take up of CARES service from vulnerable and disengaged groups;
- Promote CARES to up to 20 individual ethnic minority groups/organisations per annum;
- Promote CARES to up to 20 vulnerable and disengaged groups per annum.

60. Local Heat & Energy Efficiency Strategies (LHEES) will provide a long-term framework for taking an area-based approach to planning and delivery of the heat transition, including through zoning linked to regulation. LHEES will also form a basis for local public engagement and will be in place for all local authority areas by the end of 2023. We will ensure the planning system enables and encourages the deployment of low and zero emissions heating, including the networks they require.

Cultural and religious use of open flames for cooking

61. Many buildings use the same fuel for heating and cooking, particularly natural gas. When buildings switch away from using fossil

fuel boilers, decisions on cooking appliances may also need to be made. As we accelerate deployment of strategic heating technologies, we will ensure our programmes support households and non-domestic building users to also transition to new cooking appliances, where appropriate.

Public Sector Equality Duty (PSED)

62. The Public Sector Equality Duty (PSED) – requires relevant organisations to:

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

63. The National Public Energy Agency will be given a role to further ensure users can easily access the support and advice they require. To ensure that we take an inclusive approach, we will identify and support disengaged and vulnerable groups, ensuring that support is available to all of society. We will give due regard to equalities, and will not unfairly discriminate based on any protected characteristics.

Describing how Equality Impact analysis has shaped the policy making process

64. The EqIA has been valuable in raising the overall awareness and understanding of the key issues affecting people with protected characteristics. We have taken a high level approach to the EqIA that accompanies the Strategy, highlighting critical issues that we will elaborate on as policy develops.

65. As the Strategy's actions are progressed, resulting in the development and roll out of individual heat decarbonisation and energy efficiency programmes and regulations, we will utilise and build on this existing evidence base to develop, where needed and appropriate, more specific impact assessments.

Monitoring and Review

66. The impact of the Strategy on the protected characteristics has been considered as a result of the assessment. As the Strategy's actions are progressed, the Scottish Government will continue to work with a wide range of stakeholders, including organisations that work with or represent EqIA groups to support the delivery and implementation of each policy area and in ongoing consideration of equalities impacts.

67. We are currently in the process of developing a governance structure for the implementation of the Heat in Buildings Strategy which will include an annual review of the impacts from Strategy work streams. As part of this process, we will commit to ensuring that a diverse range of organisations are involved as key stakeholders and this will include those that represent equality groups.



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The Scottish Government
St Andrew's House
Edinburgh
EH1 3DG

ISBN: 978-1-80201-552-2 (web only)

Published by The Scottish Government, November 2021

Produced for The Scottish Government by APS Group Scotland, 21 Tennant Street, Edinburgh EH6 5NA
PPDAS942186 (11/21)

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