

Audit scope

Decarbonising heat in homes

AUDITOR GENERAL 

Prepared by Audit Scotland

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Background

Scotland's greenhouse gas (GHG) emissions halved between 1990 and 2021. But current emissions need to halve again in the next seven years if the Scottish Government is to achieve its target of a 75 per cent reduction by 2030, and to increase the chances of meeting the target of net zero by 2045. GHG emissions from generating heat in domestic buildings (homes) make up a significant proportion of Scotland's emissions. Decarbonising heat in homes, the reduction of GHG emissions through energy efficiency improvements and transition to low carbon heating systems in homes, will make an important contribution to reaching the net zero target.

There are currently around 2.55 million occupied homes in Scotland. The Scottish Government published its [Heat in Buildings Strategy](#) (HIBS) in October 2021. It suggests that to meet Scotland's interim climate targets, 170,000 high emissions off-gas homes and at least half of the 2 million homes currently using mains gas, must convert to zero emissions heating by 2030.

The Climate Change Committee [recently reported](#) that the Scottish Government does not have adequate policies in place to

deliver on its ambitions for decarbonising homes and that the pace of change must increase to realise targets.

Why is this audit important?

Audit Scotland published its strategy for [Auditing climate change](#) in December 2022. This audit is the latest in a long-term programme of audit work looking at the public sector's response to climate change.

It is important for providing assurance that public resources are being used effectively to reduce emissions in Scotland's homes. The Scottish Government estimates that over £33 billion is needed to reduce emissions from generating heat in residential and non-residential buildings, with a significant share coming from the public sector. The Scottish Government has already committed £1.8 billion to deliver the HIBS over the current Parliamentary term (2021 to 2026).

As well as helping to meet emissions targets, decarbonising heat in homes has the potential to bring other benefits. These include helping to meet the Scottish Government's statutory fuel poverty targets, creating new economic opportunities and a just transition to net zero.

What will the audit look at?

The overall aim of the audit is to examine the Scottish Government's approach to decarbonising heat in homes through measures in the HIBS, while recognising the long-term targets in place for achieving net zero. It will look at progress against plans, impact on emissions and financing arrangements and performance. It will focus on homes and not other buildings covered by the strategy, such as workplaces and community buildings.

The audit will focus on the role of the Scottish Government, the commitments it has made and the scale of the challenge to meet its ambition. The audit will build on our report, [How the Scottish Government is set up to address climate change goals](#), by looking at the governance and monitoring arrangements for the HIBS.

We will aim to answer the following audit questions:

- To what extent is the Scottish Government's approach to decarbonising heat in homes clear, well defined and underpinned by effective arrangements to monitor progress and to improve performance?
- What progress has the Scottish Government made to date in decarbonising heat in homes and what are the barriers to progress?
- Is the Scottish Government clear on the investment needed to meet its targets and how much money has been committed and spent to date?

This audit will be the first of two on heat in homes. It will focus on the Scottish Government's role and lay the groundwork for a second audit that will focus on local government activity to decarbonise heat in homes. This audit will not look at policy areas reserved to the UK government, such as energy supply, but it will set out the respective roles of both governments.

How will we carry out this audit?

The audit will mainly draw on existing evidence and review published documents and data from the Scottish Government and external stakeholders. It will take evidence from Scottish Government officials and other key stakeholders and review financial and other relevant data.

What do we want to happen as a result?

The audit will provide an overview of progress in decarbonising heat in homes in Scotland and the work that still needs to be done. It will provide evidence and audit judgements to the public and to wider stakeholders, to enable greater scrutiny of how well the Scottish Government's approach to decarbonising heat in homes is contributing to achieving net zero by 2045.

Timetable

We plan to publish the report on behalf of the Auditor General in early 2024.

Contact

If you have any questions, please get in touch with Derek Hoy, Audit Manager, at dhoy@audit-scotland.gov.uk

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