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Heat in Buildings Capital Allocations

28 February 2025

Dear Edward,

Further to my letter on 31 January, I am writing to provide information regarding the scheme level budget allocations for Heat in Buildings.

The Scottish Government's Budget for 2025-26 allocates £302.4 million CDEL to Heat in Buildings, to support both energy efficiency and clean heating. This allocation is significant and demonstrates the Scottish Government's ongoing commitment to this important priority. Our work to improve the energy efficiency of Scotland's homes and buildings and switch them to clean heating contributes toward our net zero objectives, as well as supporting efforts to address fuel poverty.

In 2025-26 we will continue to operate all Heat in Buildings delivery schemes. Annex A to this letter outlines the proposed scheme by scheme allocations. Demand and uptake of schemes will be monitored throughout the year.

I hope you find this information useful.

Yours sincerely

GILIAN MARTIN

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ANNEX A – HEAT IN BUILDINGS SCHEME CAPITAL ALLOCATIONS

Delivery Scheme	2025-26 Allocation	Summary
Warmer Homes Scotland	90	Supports eligible households with heating and energy efficiency.
Social Housing Net Zero Heat Fund	36	Supports clean heat & energy efficiency projects in social housing. Delivered by Registered Social Landlords and Local Authorities.
Area Based Schemes	64	Primarily energy efficiency targeted at owner occupied households most likely to be in fuel poverty, facilitating retrofit in multi-occupancy buildings including social housing. Delivered by Local Authorities.
Home Energy Scotland Grant & Loan	40 (12.5 FTs)	Universal offer for all owner-occupied households for energy efficiency and clean heat, includes interest free loan.
SME Loan & Cashback	5 (4 FTs)	Loan and Cashback Grant support for eligible SMEs toward energy saving, energy efficiency and clean heating measures.
Scotland's Heat Network Fund	35	Grant support for infrastructure investment for heat networks. Supports third-party investment up to 50% intervention rate.
Green Public Sector Estate Decarbonisation Scheme	32	Grant and loan support for public sector buildings for energy efficiency and clean heat retrofit.

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