



Glasgow City Region Cabinet

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GCR Housing Retrofit Strategy and Action Plan 2025-2028 – Retrofit update

Purpose of the Report:

This report provides an update to the Glasgow City Region Cabinet on the Regional Housing Retrofit Strategy and Action Plan 2025-2028, and the wider policy context around retrofit activity.

Recommendations

The Glasgow City Region Cabinet is invited to:

- (a) Note the content of the report.

1. Purpose

1.1 This report provides an update to the Glasgow City Region Cabinet on progress with the Glasgow City Region Housing Retrofit Strategy and Action Plan ('the Strategy and Action Plan') 2025-28 and the wider policy context around retrofit activity.

1.2 The report provides:

- An update on National Policy Developments;
- The Scottish Government's Response to the Green Heat Finance Taskforce Recommendations; and
- Updates on the Actions in the GCR Strategy and Action Plan.

2. Background

2.1 The Glasgow City Region (GCR) PMO presented the draft Strategy and Action Plan to the Glasgow City Region Cabinet on 25 February 2025 setting out the key challenges to delivering domestic housing retrofit at scale alongside a set of enabling actions across the three-year period (2025-28) to support Member Authorities in their local delivery.

2.2 The Strategy and Action Plan were developed in collaboration with the 8 Member Authorities (MAs) and partner agencies including Scottish Enterprise (SE) and Skills Development Scotland (SDS), through the Glasgow City Region Housing Retrofit Delivery Group (HRDG).

3. National Policy Developments

3.1 Following the approval of the Strategy and Action Plan by GCR Cabinet on 25 February 2025, the national policy landscape for domestic retrofit has developed.

3.2 On 11 March 2025, the Scottish Government announced that the anticipated Heat in Buildings Bill would not progress in its current form. This was followed up by a further announcement by the Cabinet Secretary for Housing, on 18 November 2025, advising that the Scottish Government would not introduce the Bill in the current session of Parliament due to insufficient time for scrutiny.

3.4 In 2025, the Scottish Government engaged with stakeholders, including GCR MAs, on heat network installation and licences through two workshops in May 2025.

3.5 A further revised draft Bill, the [Buildings \(Heat and Energy performance\) and Heat Networks \(Scotland\) Bill](#) was published on 18 November 2025, setting out a broader provision for decarbonising heating systems, energy performance requirements, and heat networks. It is understood that the Scottish Government intend to engage with stakeholders on this draft Bill in this current parliamentary session, particularly around heat networks.

4. Scottish Government's Response to the Green Heat Finance Taskforce.

4.1 The Green Heat Finance Taskforce (GHFT) was convened by the Scottish Government, as part of the Heat in Buildings Strategy, and it was active between 2022 and 2025. Its

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purpose was to develop a portfolio of innovative financial solutions for building owners in Scotland to ensure that by 2045, residential (and commercial) buildings align with the just transition to net zero.

- 4.2 The [first report](#) from the GHFT (November 2023) outlined a series of recommendations to further develop financial solutions for individual property owners, and the [second report](#) (April 2025) outlined further recommendations to support financing of social housing and collective solutions including the development of heat networks.
- 4.3 The Scottish Government published a [formal response](#) to the GHFT reports on 17 December 2025. This response supports the Taskforce's main recommendations and accepts that the need to strengthen customer demand for energy efficiency and clean heat. The Scottish Government has indicated that this will require to be supported by a pipeline of investible projects that will attract private finance, acknowledging that clear, long-term policy is key to achieve this.
- 4.4 The formal response from the Scottish Government, lists the GHFT taskforce recommendations alongside narrative around what the government has already done and what they will focus on next. The response states that several of the recommendations will take longer to implement such as *“creating new place-based delivery structures, including provision of a support unit and considering the scope to utilise taxation to incentivise clean heat installations – will be for the next Scottish Administration to decide after the 2026 election”*.
- 4.5 In addition, *“developing and capitalising new blended finance models will ... be a longer-term activity that will be for the next Scottish administration to make decisions on following the 2026 Scottish Parliament elections”*.
- 4.6 The SG response noted that several of the recommendations will require further engagement with UK Government stating, *“some critical levers which can drive the transition are reserved to the UK Government”* and that *“some taxation powers which might influence individual decisions around clean heat installations remain reserved to the UK Government.”*
- 4.7 The response indicates that further work will be undertaken including consultation on the draft [Buildings \(Heat and Energy performance and Heat Networks \(Scotland\) Bill](#) in the next parliamentary term which aims to give industry greater confidence to invest, further fostering the strong pipeline of projects.
- 4.8 In addition, there is an assurance that the Scottish Government will work with all parties to help inform development of a new Heat in Buildings Strategy and Delivery Plan, to be published in 2026. This will further explore the practical next steps that can be taken to foster the financing solutions discussed by the GHFT.
- 4.9 The GCR PMO invited Scottish Government representatives to attend the HRDG on the 26 February 2026. A representative provided a presentation on the Scottish Government's response and outlined their next steps. The Scottish Government were keen to understand how they can work with GCR MAs, and what MAs would like to see in the revised Buildings (Heat and Energy performance) and Heat Networks (Scotland) Bill.

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5. Update on GCR Housing Retrofit Strategy and Action Plan

5.1 The Regional Housing Retrofit Strategy and Action Plan details five focus areas with seven actions. Actions are shown below with relevant updates:

| Action Number | Action | Update |
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| Action 1 | Engage with the Scottish Government to explore ABS grant funding opportunities, highlight the impact of challenges surrounding ABS spend, explore more flexible approaches and seek to secure multi-year funding allocations for grant funding that enables MAs to establish longer term local retrofit delivery plans. | <p>The GCR HRDG have focussed efforts on better understanding challenges around the Area Based Scheme (ABS) funding that is provided annually to local authorities. There are known challenges around spend of this funding stream and the need to address the underspend that can occur. Challenges relate to the funding criteria, fund structure and annual allocation of ABS funding, in addition to local delivery and internal processes.</p> <p>To support the delivery of action two (best practice in relation to local delivery), the GCR PMO undertook an information gathering exercise in collaboration with the HRDG. This included a survey issued to all eight MA representatives with responsibility for the planning and delivery of ABS programmes. The survey was designed to build upon previous conversations about ABS, particularly internal processes and approaches to spending annual funding allocations. This also sought to understand monitoring of the impact of the interventions. The survey was followed by an interview with key personnel to clearly identify best practice as well as seek to identify any shared challenges or bottlenecks to allow this information to be shared across the region.</p> |
| Action 2 | MAs will work with the GCR PMO to undertake a detailed analysis of local ABS delivery, to identify bottlenecks, understand best practice and share lessons learned, especially in relation to procurement approaches that will improve the pace of local delivery. | <p>Key findings included:</p> <ul style="list-style-type: none"> • MAs with dedicated resources, officer or team, usually reported an ability to better facilitate engagement with procurement, delivery partners (when used), contractors and homeowners. • MAs with their own housing stock tend to have more flexibility when procuring contractors and or delivery partners on a multiyear contract. • MAs with more risk averse processes tend to report increased difficulty with completing procurement and legal processes within the timescales required for the programme to be delivered timeously. • Tight timescales between grant allocation, delivery and completion are a uniform challenge – the annual funding |

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| | | <p>can make it difficult to fulfil programme potential or spend full allocation. This was the case for all member authorities, including those with rolling procurement contracts and dedicated resource.</p> <ul style="list-style-type: none"> • Significant numbers of eligible homeowners choose not to take part in the programme. This can be due to unaffordable costs, disruption, change of circumstances and lack of trust in delivery agencies or local authorities. • It was noted that the most commonly funded interventions were Cavity Wall or External Wall Insulation. • The extent of monitoring and evaluation varies. All member authorities use EPC certificates to demonstrate improvements with some engaging with homeowners once work is completed to gather information about perception of comfort etc. <p>The findings have been fed back to the HRDG for discussion and reflection. A report capturing the findings will be presented to procurement colleagues to allow them to explore how best practice could shape existing processes.</p> |
| Action 3 | <p>The GCR MAs will engage with the Scottish Government to campaign for additional funding or the flexibility to use existing funding sources, managed by local authorities on a programme wide basis, to be used to support the undertaking of repairs that will enable subsequent retrofit interventions.</p> | <p>It is known that the state of repair of domestic properties has a significant bearing upon the effectiveness of retrofit activity. There are anecdotal reports from member authorities that disrepair, particularly in private sector owner-occupied housing, is a key barrier limiting retrofit activity and additional funding and finance options are required to overcome the repair challenge in addition to the costs of retrofitting.</p> <p>Quantifying the extent of disrepair across regional domestic properties is a difficult task. There is no central source of data that comprehensively captures the current state of repair of properties. Whilst data sets such as EPC certification are available, these focus upon the energy efficiency of the property and the presence or absence of insulation measures rather than building fabric.</p> <p>The Scottish House Condition Survey has been used to understand housing condition at a local authority level as this contains elements of physical surveying. However, the sample size is considered small. The 2024 survey had a target to achieve 3,004 physical surveys across Scotland however only completed 2,905 physical surveys of which 827 were undertaken in GCR.</p> |

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| | | <p>Figures from 2023 show that disrepair to critical elements (affecting weather-tightness, structural stability or deterioration of the property, such as roof coverings or the structure of external walls) stood at 45% of all dwellings.</p> <p>Whilst the GCR MAs are keen to undertake a more detailed exercise to assign a potential cost to the impact that disrepair presents to retrofit activity. Any such exercise would require the ability to access and assess properties prior to retrofit interventions which is not guaranteed unless authorities own the properties. Thus, capturing this data in a meaningful way is a challenge.</p> <p>The HRDG are aware that learning and potential opportunities will arise from the 5G Innovation Region Smart and Connected Social Places programme IoT and sensor deployment in social housing pilots, which can be shared across the region.</p> <p>Repair is a foundational step that is required before energy efficiency and decarbonisation measures, and additional funding/finance options are required to bridge the affordability gap. Particularly for pre-1919 tenements which have highest levels of disrepair due to their age and complexity of communal repairs. It is considered that any potential resources to quantify disrepair would be better spent accepting there is an issue and providing funding as a carrot to start tackling it, whilst making energy efficiency improvements standard with the repair.</p> |
| Action 4 | <p>The GCR MAs will engage with the Scottish Government to campaign for a comprehensive package of support (funding and finance) which delivers on the recommendations of the Green Heat Finance Taskforce report be brought forward, with a focus on piloting of property linked financing, grants and loans for homeowners, and incentives through fiscal and taxation policy.</p> | <p>The reports prepared by the GHFT presented a series of innovative financial options with recommendations for the Scottish Government to consider. The time taken to publish both Part 1 and Part 2 reports has been lengthy. Whilst the Scottish Government noted the need to act promptly to address this matter. Their recent formal response to the GHFT reports noted that several of the recommendations will require to be addressed in the next parliamentary term or require UK Government action.</p> <p>The GCR HRDG continues to engage with Scottish government representatives who have previously provided updates to the HRDG (14 September 2023 and 10 April 2025). A further invite was extended to Scottish Government representatives to attend the HRDG meeting on 26 February. A presentation was provided to the HRDG outlining next steps and asking how Scottish Government could work better with GCR MAs.</p> <p>Since the publication of the Regional Housing Retrofit Strategy, the funding landscape has also been impacted</p> |

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| | | <p>by the cessation of the Energy Company Obligation 4 (ECO 4) scheme. This UK Government scheme required major energy companies to fund energy efficiency improvements in low-income vulnerable households to reduce fuel poverty and carbon emissions. Ministers concluding that “the scheme no longer fits the direction of the UK’s long-term strategy for decarbonisation, affordability and modernisation”. This scheme was due to cease on 31 March 2026, but following consultation by the Department of Energy Security and Net Zero (DESENZ) the UK Government confirmed that ECO 4 will now end on 31 December 2026 to provide obligated energy suppliers more time to complete existing targets and allow remediation of non-compliant installations.</p> <p>ECO 4 was a significant funding source which supported 949,800 energy efficiency measures and benefited around 280,100 domestic properties (as of September 2025). It is understood that the ECO 4 scheme had an overall available funding pool of £4billion from April 2022-March 2026. and that £1.5bn remains and will be rolled into the replacement UK Government’s Warm Homes Plan (WHP).</p> <p>The Warm Homes Plan was published by the UK Government on the 21 January 2026. This aims to support comprehensive whole house type retrofit interventions. The Plan has a strong emphasis on clean heat technologies particularly solar panels, heat pumps and boiler replacement with a lesser focus on fabric interventions. Full details of how the Warm Homes Plan will impact on retrofit delivery in Scotland have still to be determined.</p> |
| Action 5 | <p>GCR MAs call on the Scottish Government to support the development of a one-stop-shop for homeowners to support them along the retrofit pathway from assessment and whole building retrofit plan production, to provide accessible funding at the right time, and successfully carrying out energy efficiency and clean heating improvements.</p> | <p>The need for an effective ‘one stop shop’ or retrofit agency to support homeowners with information support and advice is recognised as an ongoing need. With reference to best practice from other countries, who have comprehensive support schemes and have observed an associated increase in retrofit activity.</p> <p>The GCR HRDG have prioritised this action over the last year, to explore opportunities for improved delivery of information, assistance and advice.</p> <p>Members of the GCR HRDG attended a roundtable hosted by the Existing Homes Alliance (EHA) on 20 May 25. The roundtable supported a discussion around the EHA’s recently published vision document “One stop shops and retrofit agencies – a vision for retrofit support across Scotland”. The roundtable discussion centred around the existing structures, the role of Home Energy Scotland and how to strengthen the ecosystem of</p> |

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| | | <p>support. EHA gathered significant feedback and are currently revising their vision paper. Once finalised, this will be submitted to the Scottish Government along with a series of recommendations to improve retrofit support in Scotland.</p> <p>The Scottish Government published a consultation survey in October 2025 seeking help to shape what the future of (domestic) heat and energy efficiency advice provision will look like post 2028. The consultation closed on 28 October. The GCR PMO and Glasgow City Council are due to schedule a meeting with Scottish Government representatives in the next few weeks to outline member authority ideas for a more comprehensive ecosystem of support for homeowners. Member authorities are keen that this includes a heavy emphasis on local providers who can engage homeowners at a local level developing trust and building local knowledge.</p> <p>South Lanarkshire Council have pioneered an approach to pilot an Energy and Retrofit Support service/One Stop Shop for residents. The project, which commenced in October 2025 and will conclude on 31 March 2026, has involved the commissioning of consultancy support to reach out to homeowners, private sector tenants and landlords, to provide support to retrofit their properties. This includes providing advice and information to homeowners and assisting them in accessing funding.</p> <p>The learnings from this innovative pilot will be shared across the regional authorities once the pilot concludes in March 2026. This will allow the HRDG to reflect on best practice and learning for developing better local information, advice and support for homeowners.</p> <p>In addition the publication of the Parliamentary Inquiry report into faulty energy efficiency installations on 23 January, highlights the impact of incorrectly installed insulation schemes under ECO 4 and GBIS leading to damp and mould. Whilst the implications of this report are unknown it highlights the need for advice and support for homeowners and support for redress, which was previously raised in the Strategy and Action Plan.</p> |
| Action 6 | GCR MAs call on the Scottish Government to complete and share the mapping and gap analysis for retrofit data as included in the Green Heat Finance Taskforce Report, Part 1. | The SG formal response to the GHFT reports noted that in October 2025 the Scottish Government published the Heat in Buildings Annual progress report, the third annual progress report that has been published to report on Heat in Buildings Monitoring and Evaluation (M&E) Framework. The 2025 progress report sets out where SG have taken action to address known data gaps. |

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| | | SG note that data gaps remain particularly for heat networks, non-domestic properties, and jobs. However, they “ <i>provide the best available data and will continue to evolve the Framework by incorporating further data in future reporting as it becomes available</i> ”. |
| Action 7 | GCR MAs will explore the potential of using enabling digital platforms to help design retrofit schemes in the City Region. | <p>The GCR MAs are keen to better understand the role that enabling digital platforms could play in developing and rolling out retrofit schemes. There is an understanding that these platforms present an opportunity to collate complex information around retrofit activity and support and design future work.</p> <p>To fully explore the market offering, the HRDG will reach out to key suppliers to provide demonstrations to meetings of the group in Spring 2026 to support further discussion.</p> |

6. Next Steps

6.1 The GCR HRDG will continue to engage with Scottish Government in the implementation of their recommendations and continue to deliver on the Regional Strategy and Action Plan to enable a better foundation for future work.

7. Recommendations

7.1 The Glasgow City Region Cabinet is invited to:

- a. Note the content of the report.

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