Built Environment Forum Scotland (BEFS) is an umbrella body for organisations working in the built environment in Scotland. Drawing on extensive expertise in a membership-led forum, BEFS informs, debates and advocates on the strategic issues, opportunities and challenges facing Scotland's existing built environment. BEFS is a supporting member of the Climate Heritage Network.



Other relevant consultation responses from BEFS can be seen below, as many issues overlap and demand associative consideration:

- The Role of Local Government and its cross sectoral partners in financing and delivering a net-zero Scotland
- Draft Heat in Buildings Strategy, Achieving Net Zero Emissions in Scotland's Buildings Consultation
- Circular Economy (Scotland) Bill – Call for views
- Scotland's draft Circular Economy and Waste Route Map to 2030 – consultation
- Statement in relation to the Call for Views: Agriculture and Rural Communities (Scotland) Bill
- Delivering our Vision for Scottish Agriculture. Proposals for a new Agriculture Bill - Consultation
- The Community Wealth Building (Scotland) Bill – Committee Scrutiny
- Rural Delivery Plan
- Heat and Energy Efficiency Technical Suitability Assessment (HEETSA): Scoping Consultation
- Draft Energy Efficiency (Domestic Private Rented Property) (Scotland) Regulations: consultation
- Domestic Energy Performance Certificates (EPC) reform: consultation
- Building regulations - energy standards and associated topics - proposed changes: consultation

BEFS will be responding only to selected questions of the consultation, as below:

**Sector-specific questions**

1. What are the most important policies needed to achieve the proposed carbon budgets level for 2026-40 in **buildings**?

BEFS has long advocated for a holistic, well-connected, and coherent policy landscape for using Scotland's building stock for the benefit of Net Zero goals. The role and place of buildings and the technologies of reuse, repair, and adaptation are not to be understood as an optional add-on, but rather as a key way to reach national Net Zero targets.

BEFS would like to see a number of policies considered and implemented in considering buildings as part of the new Climate Change Plan (CCP), and these must be understood in tandem with each other and the CCP. New EPC regulations and EPC rating system, the private rented sector Minimum Energy Efficiency Standard (MEES) regulations, the Heat and Energy Efficiency Technical Suitability Assessment (HEETSA) are a few. Additionally, implementing a national circular economy with circular construction principles and a material passport scheme to support circularity is critical. Finally, we note that a maintenance-first and a fabric-first approach is necessary for the sustainability of the existing built environment, and that an organised approach to data for the existing and built environment to support solutions are critical.

To implement regular repair and maintenance works, we need the skills capacity to deliver this effectively. In fact, green and traditional skills are needed at every stage of the reuse, repair, and maintenance process –

from assessment to green energy solutions and retrofit, to maintenance of materials such as slate, stone, lime, and more.

The Scottish Government has acknowledged its intention to ensure that the new EPC regulations, and EPC rating system, are developed in tandem with the private rented sector Minimum Energy Efficiency Standard (MEES) regulations. BEFS would like to see further acknowledgement in the CCP of how these policies are inherently connected to the Heat In Buildings Bill in development, as well as other policies like the Heat and Energy Efficiency Technical Suitability Assessment (HEETSA). These regulations, systems, and bills are part of a policy landscape with the potential to efficiently respond to national Net Zero targets if they are all understood, developed, and enacted in a holistic way.



Waste from demolitions generates 62% of Scotland's waste and thus accounts for a significant contribution to a detrimental regional, national, and global cycle of waste and loss. The cycle of demolition and new-build Scotland currently engages in is in active opposition to circular economy principles, and the embodied carbon that is lost when existing buildings remain in disuse and disrepair is immense.

Highlighted in a 2020 BRE report: the UK has the largest proportion of pre 1946 housing stock in the EU, 37.8% compared with the EU average of 22.3%. Scotland is markedly higher, with 52.9% of housing being built pre-1946. Traditional properties form a fifth of Scotland's overall housing stock. This helps to demonstrate the scale of climate intervention and socio-economic benefit that could be demonstrated by policies that embed maintenance and appropriate retrofit of these homes and our public buildings, as part of circular construction practices. Implementing a material passport scheme for the built environment sector to support material circularity would be a positive national first step into a system of circularity.

The Scottish Government should establish a concrete circular economy program to strengthen local supply chains for the built environment, with dedicated funding to support circular economies and community wealth-building, as part of the Climate Change Plan for 2026-2040. This involves dedicated funding to support local circular economies and community wealth building principles.

Primarily, BEFS calls for a wider focus on improving the fabric of homes, so they are more able to transition to clean heat. Within this legislation it will be important that maintenance and fabric first approaches receive appropriate attention. Without a wind and watertight building which is well maintained any interventions may be detrimental to the building, occupant health, and not result in the energy reductions expected – failing to improve building performance, negatively impacting on occupant health, and failing to meet fuel poverty aims. Critically we note that the whole built and existing environment sector needs a shared understanding that a maintenance-first and a fabric-first approach will pay dividends in this way and help to support the transition to Net Zero, but this is not possible without a robust skills and supply chain to maintain all of Scotland's homes.

Fabric efficiency can and does have a huge impact on the efficiency and condition of all buildings, and the message must be that maintenance and repair – in particular of existing and traditionally constructed buildings – goes hand in hand with heating solutions. BEFS wants to see an expansion of the information and data available about building conditions, both on a systems-level, as well as on individual EPCs and other reports holding information about building conditions. Clarity enabling owners to make informed energy efficiency decisions through accurate data and information on the EPC report, such as fabric rating, would be very welcome.

2. What are the expected benefits of these policies in **buildings**? Please include any wider benefits (e.g. environmental, equality, financial and health) you would expect.



Well-maintained buildings bring a multitude of benefits to communities, including supporting local economies through skilled labour, supporting health and wellbeing, contributing to climate change targets, and much more. Investing in reuse, repair, and maintenance of our existing built environment also boosts our circular economy, which in turn is intricately linked with other place-based, wellbeing, and Net Zero-oriented policies, such as community wealth building. Scotland's proportion of pre-1946 housing stock - 52% - is the highest in the world, and is a key characteristic of a local sense of place and of identity. Place-making approaches are holistic and collaborative, and considerate of all of the elements of a place's functionality and identity, particularly with a view to supporting health and wellbeing, sustainable economic development, and long-term resilience against climate change and other threats.

Retrofitting older buildings for energy efficiency is a cost-effective investment with significant long-term benefits, such as reducing carbon emissions, alleviating fuel poverty, improving health, and preserving key community and architectural assets. This will also drive job creation and skills development, benefiting local economies across Scotland, including urban, rural, and island areas. Investing in specialised training now will help prevent higher future costs related to heritage and climate. As the retrofit industry grows, a skills gap will become more evident, making accreditation essential to meet Net Zero goals. A fabric-first, maintenance-first approach will be critical, but this requires a robust skills and supply chain. Supporting local materials and supplies boosts Scottish supply chains and contributes to circular economy and Net Zero targets. Island communities, with their resources for traditional building materials, would greatly benefit from investments in local quarries, creating jobs and preserving traditional skills.

The benefits of policies supporting reuse, repair, and maintenance of the Scottish building stock are already outlined in both Scotland's strategy for the historic environment, Our Past, Our Future, and the National Planning Framework 4 (NPF4). Respectively, they state that "the historic environment creates significant economic benefits for Scotland. It creates good, green jobs across the country, and is a major reason that millions of visitors come to Scotland each year" and that "Scotland's rich heritage, culture and outstanding environment are national assets which support our economy, identity, health and wellbeing". NPF4 gives further clarity as to the cross-cutting nature (and importance) of how planning can support "Lifelong Health and Wellbeing" – the variety of factors listed within this description can usefully help to inform legislative definitions, ensuring place quality and green-blue environments, affecting population health, are taken into account.

According to a CIEH report from 2022 (https://www.cieh.org/ehn/environmental-protection/2022/november/construction-industry-responsible-for-18-of-uk-s-large-particle-pollution/), construction industry responsible for 18% of UK's large particle pollution – a number that would, all things being equal, inevitably decrease with divestment from new-build construction and investment in retrofit instead. Of all new-builds built between 2015 and 2024 in Scotland, 3,524 remain unfinished (https://www.gov.scot/publications/housing-statistics-for-scotland-new-house-building/) – comparing numbers of non-completions from 1997-2008 to 2009-2020, the number of non-completions has increased from 3.02% to 3.44%. Alongside a programme of investment into a programme of retrofit itself, also investing in retrofit data to compare completions and subsequent functional and efficient housing to new build completions and non-completions would help illustrate the positive investment and the ways in which reuse, repair, and maintenance does pay dividends not just in the long term but also in the short and medium-term.

3. What are the most important policies needed to achieve the proposed carbon budgets level for 2026-40 in **waste and circular economy**?



The role that the existing built and historic environment can and should play in a sustainable circular economy should be understood as key to a national route map towards a circular economy. BEFS would like to see an explicit reference and demand for a national transition to a circular economy as part of the Climate Change Plan. Both strategies must make reference to each other and work in tandem.

A programme of investment into data would be highly beneficial in references to waste and a circular economy in the Climate Change Plan, to establish a systematic and organised understanding of how formerly vacant and derelict sites have been reused, and their contribution and further contributory potential to Scotland's Circular Economy and Community Wealth Building objectives.

The construction industry produces 62% of the UK's waste (https://www.businesswaste.co.uk/sectors/construction-waste-management/construction-waste-facts/). A report from 2023 found that 33% of construction waste tickets are non-compliant, mainly due to missing European Waste Catalogue (EWC) codes, license declarations, and facility permits and exemptions (https://www.qualisflow.com/uk-construction-waste-report-2023/). 13% of construction waste materials are sent straight to landfill without reuse (https://www.bresmartsite.com/wp-content/uploads/sites/2/2019/05/sustainable_construction_simpleways_to_make_it_happen.pdf). Implementing a material passport scheme and increasing resourcing and skills investment into the waste and resources sector would be necessary to deliver circularity in practice.

The Government's 19 June 2025 Climate Change (Scotland) Act 2009 (Scottish Carbon Budgets) Amendment Regulations 2025: statement outlined that "the next CCP will set out plans to publish our first statutory Circular Economy Strategy in 2026, with accompanying targets to be set by 2027 – allowing for holistic tracking of Scotland's circular economy". BEFS welcomes this development and will refer the Government to our responses to the relevant circular economy consultations: https://www.befs.org.uk/wp-content/uploads/2024/03/Scotlands-draft-Circular-Economy-and-Waste-Route-Map-to-2030-.pdf, https://www.befs.org.uk/wp-content/uploads/2023/09/Circular-Economy-Bill.pdf, and https://www.befs.org.uk/wp-content/uploads/2022/01/Net-Zero-Consultation-Response.pdf. The Government continued that "the next CCP will include proposals and policies to reduce food waste, one of the most carbon intensive materials". While BEFS appreciates a holistic understanding of waste, we will remind the Government that the construction industry produces 62% of the UK's waste and accounts for an immense amount of lost carbon potential for reuse.

4. What are the expected benefits of these policies in **waste and circular economy**? Please include any wider benefits (e.g. environmental, equality, financial and health) you would expect.

Including a requirement and plan for a national transition to a circular economy in the Climate Change Plan would support a movement of work for Scotland to meet its Net Zero Targets as outlined in the Climate Change (Emissions Reduction Targets) (Scotland) Act 2024. Instituting a national programme for a circular economy should be understood as a necessary preventative spend – investing in a more sustainable system will benefit Scotland's people and places materially in the long-term and may lead to carbon budget underspend in carbon target cycles ahead.

A programme of investment into data - when assessed appropriately, our existing built environment presents an enormous opportunity to provide climate solutions – considering how traditional properties form a fifth of Scotland's overall housing stock, and the construction industry is responsible for half of all waste in Scotland. Thus, acquiring the appropriate data and mapping of these assets will be key to meeting Scotland's ambitious targets; for a green recovery, promoting a circular economy, meeting established climate targets, and positively intersecting with societal responsibilities.



According to a 2023 report from CIWM (https://www.circularonline.co.uk/wp-content/uploads/2023/03/Beyond-Waste-Essential-Skills-for-a-Greener-Tomorrow.pdf), the waste and resources sector is worth approximately £78Bn. This value would increase significantly when considering the short, medium, and long-term expansion of the sector into a circular economy - requiring material recovery, circularity, and industrial reuse and repair specialisms - among many more.

5. What are the most important policies needed to achieve the proposed carbon budgets level for 2026-40 in **land use**?

Land use and the historic environment are closely interlinked. Policies in development, such as Scotland's Fourth Land Use Strategy and Supporting Scotland's Transition – Land use and Agriculture must make reference to the historic assets located in the natural environment, and to acknowledge biodiversity policies and historic environment policies as interconnected.

BEFS Members the Landscape Institute advocate for a landscape-led approach to land use which emphasises the "multiple, interconnected factors - including heritage, biophysical factors (such as geology and soil), natural assets (including habitats and species), water management, food production, people's health, wellbeing, and community needs" which need to be "considered together to deliver maximum benefits initially and long term" (https://www.landscapeinstitute.org/wp-content/uploads/2025/05/Landscape-Institute-Landscape-led-briefing.pdf). BEFS would like to see policies for land use be considered holistically in this way.

Land use regulations should contain specific protections for the historic environment to ensure that various processes of e.g land recovery do not harm historic assets and ecosystems to support the requirement for Strategic Environmental Assessments. This includes a need for provision for a skilled workforce that understands the systems at play and that works to correctly integrate and connect the historic and natural environment sectors.

6. What are the expected benefits of these policies in **land use**? Please include any wider benefits (e.g. environmental, equality, financial and health) you would expect.

Efforts to support and improve the health of our ecosystem is integral to reaching our national Net Zero targets. BEFS wants to emphasise that good stewardship of biodiversity and historic assets are not in opposition, but rather are interdependent, as has also been acknowledged by the Scottish Government in the 2023 Biodiversity strategy and delivery plan: strategic environmental assessment. Many historic sites are part of the natural landscape – not as isolated islands of human activity, but rather as integral parts of contemporary ecosystems – and thus allow for the preservation of natural habitats, contributing to nature and biodiversity outcomes.

Scotland's waterways, fields, forests, wetlands, and hedge systems are created and have been managed by human activity, playing distinct roles as wildlife corridors, safe havens, and metrics of ecosystem health. This means that by supporting historic environment assets through investment in skills, circularity of traditional materials, and maintenance and repair, and more, we will by association be supporting the health of the Scottish ecosystem and positively contribute to national Net Zero targets. Prioritising reuse of land, such as brownfield, would not just benefit local ecosystems by sparing existing natural habitats from development, but would also support and promote place principles such as 20-minute neighbourhoods as set out in the NPF4.



If the CCP can leverage the requirement for land use and agriculture policy and legislation to take the historic environment into consideration, this would be part of a positive culture shift to a holistic systems-level thinking. This would pay dividends for the Scottish economy through wellbeing, crime reduction, and place-making among other dimensions, as illustrated by the Landscape Institute.

Crucially, BEFS wants the Government to incorporate these types of principles which would not only benefit the national economy as previously explained, but in so doing would also aid the Government in fulfilling duties and principles already set through national policies and frameworks such as the NPF4.

7. What are the most important policies needed to achieve the proposed carbon budgets level for 2026-40 in **agriculture**?

The Government's 19 June 2025 Climate Change (Scotland) Act 2009 (Scottish Carbon Budgets) Amendment Regulations 2025: statement outlined that "proposals and policies in the next CCP will include delivering more sustainable and regenerative farming that, through incentives and regulation, contribute to delivering and producing high-quality and nutritious food, helping to reduce greenhouse gas emissions, while contributing towards Scotland's climate change targets and delivering increased biodiversity and wider environmental outcomes". While a focus on renewable energy is positive, BEFS would like to see a better understanding of the ways in which the historic built environment is part of sustainable farming.

As mentioned with regards to land use, policies in development, such as Supporting Scotland's Transition – Land use and Agriculture must make reference to the historic assets located in the natural environment and the way these portfolios are inherently connected – especially in consideration of climate change work. We are currently lacking integration and acknowledgement on a legislative level of the ways in which the historic existing and built environment is connected to agriculture and agri-environmental processes. In 2022, we responded to the Delivering our Vision for Scottish Agriculture: Proposals for a new Agriculture Bill consultation and it is worth repeating what we said then: "a system which recognises the symbiotic nature of heritage and landscape would reveal opportunities for funding for the effective management of heritage assets, conserving or enhancing them for a range of social, environmental, or economic benefits."

In 2025 the Scottish Government announced a funding uplift for the Future Farm Investment Scheme, the principal funding scheme for agriculture, yet the scope remains an issue. At present, the scheme does not fund training, repair and maintenance, or any fitting or installation costs. While the Agri-Environment Climate Scheme offers funding for preservation of designated areas, BEFS would like to see a programme of fiscal relief and incentivisation for training and fitting and installation.

8. What are the expected benefits of these policies in **agriculture**? Please include any wider benefits (e.g. environmental, equality, financial and health) you would expect.

A positive example of better integration of the existing and built historic environment and the agri-environmental sector can be seen in the Agriculture (Wales) Act 2023, which centres Sustainable Land Management Objectives. Objective 4 is "to conserve and enhance the countryside and cultural resources and promote public access to and engagement with them", where "cultural resources" explicitly includes cultural heritage and the historic environment. Implementing a similar system of national sustainable agricultural resource and land management objectives would benefit the Scottish economy in the long term. BEFS Members Archaeology Scotland state that most of the 200,000 archaeological and historic sites in Scotland are in rural areas, but only 6% of them are protected as Listed Buildings or Scheduled Monuments. This means that there is an immense unrealised economic resource in recognising rural and agricultural stakeholders as key players in historic asset management and to support them towards improved sustainable stewardship.



In our response to the 2022 consultation on Delivering our Vision for Scottish Agriculture: Proposals for a new Agriculture Bill we said that "a significant amount of archaeological heritage and built environment assets in Scotland is managed by farmers, crofters, and other land managers. These assets include drystone walls, hedgerows, and historic buildings, and more". By raising the profile of the historic environment in agri-environmental strategies, programmes, plans, and legislation and channelling continued and increased funding towards heritage projects and general stewardship the environmental sector would be supported to join the existing built environment sector in contributing to the twin challenges of biodiversity loss and climate change. Integrated agri-environment schemes would unlock cross-cutting benefits.

**Non-sector-specific questions**

9. What governance arrangements are needed in the Scottish Government to ensure effective delivery of the CCP?

BEFS has long advocated for cross-departmental working and a systems-level approach to policy and legislation. The cross-portfolio value of recognising the potential for Net Zero development in our villages, towns and cities across buildings, waste and resource management, land use, and agriculture in tandem is immense and is not yet fully understood nationally. It creates a wealth of added value for local economies and tourism, communities and pride of place, health and wellbeing, climate change, skills and employment, town centre improvement, and much more. Cross-departmental thinking in how cultural heritage and historic assets are a key part of sustainability and climate positive intervention supports good place-making, local economies, and the drive to Net Zero.

10. What other factors could affect whether Scotland meets its climate change targets?

BEFS has long advocated for enabling, through conservation and continued use, the full potential of Scotland's built heritage asset by removing the currently unequal application of VAT on restoration, maintenance and conservation works. As it stands, new-build development is incentivised with a 0% VAT rate, whereas the redevelopment and refurbishment of historic buildings is charged the full standard rate.

VAT is a reserved policy area under the control of the UK Government, but an elimination, or significant reduction, to the VAT rates on refurbishment and repair in the 2026-31 term of the Scottish Parliament,

could have major heritage, wellbeing, and economic benefits. A calculation from BEFS Member the Institute of Historic Building Conservation (https://ihbconline.co.uk/toolbox/research_notes/vat.html) states that a 5% VAT rate on heritage repairs and maintenance could result in a £15 billion boost to the wider UK economy, creating almost 100k new jobs across the UK, and reducing carbon emissions by a quarter of million tonnes.



A reduction or elimination of the current 20% VAT on refurbishment and redevelopment of historic buildings is not a cross-cutting singular solution to Scotland meeting its climate change targets and would inherently need to be delivered as part of a wider package of investment and cultural change for approaches to shared and collective stewardship and continued use of our existing built environment assets. However, BEFS would like to see the Scottish Government using its powers to lobby this change with the UK Government.

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BEFS responses to a number of Consultations in relation to the Built Environment can be found at: https://www.befs.org.uk/resources/consultations/

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The Scottish Government would like your permission to publish your consultation response. Please indicate your publishing preference: **Publish response with name**

We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise? **YES**

I confirm that I have read the privacy policy and consent to the data I provide being used as set out in the policy. **I CONSENT**