



BEFS RESPONSE: EXPLORING THE ROLE OF ALTERNATIVE CLEAN HEATING SOLUTIONS

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.

This is a response from BEFS to a UK Government 2025/26 consultation on [alternative clean heating solutions](#). The purpose of the Department for Energy Security and Net Zero consultation is to learn more about views on different types of low-carbon heating technologies and their suitability and effectiveness in addressing climate change, providing warm homes and supporting affordable energy bills.

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

- [Draft Climate Change Plan \(Jan 2026\)](#)
- [Heat and Energy Efficiency Technical Suitability Assessment \(Aug 2025\)](#)
- [Minimum Energy Efficiency Standards in the Private Rented Sector \(Aug 2025\)](#)
- [Delivering Net Zero for Scotland's Buildings - Heat in Buildings Bill \(March 2024\)](#)
- [The Regulation of Energy Efficiency in Non-Domestic Buildings \(Feb 2022\)](#)

BEFS is keenly aware of the need for increased action with regard to decarbonising homes and buildings, and welcomes this Department for Energy Security and Net Zero exploration into alternative technologies.

BEFS emphasises that the existing built environment is the most sustainable building resource we have, through the embodied energy present, and the potential for adaptation and reuse. Assessed appropriately, our existing built environment presents an enormous opportunity to provide climate solutions, as traditional properties form a fifth of Scotland's overall housing stock.

BEFS frequently lobbies for skilled, green employment in relation to this work, in line with the Scottish Government's Heat in Buildings Strategy, and notes the potential for unintended consequences of recommended improvement measures, many of which occur due to traditionally constructed buildings not being accurately assessed - and therefore not receiving appropriate interventions.

Scotland's home-owners, businesses, suppliers, and manufacturers need a clear understanding of who needs to do what, and by when. This requires reliable systems, clear assurances that advice is accurate and impartial, and the confidence that interventions will be well-suited to building type, supported by skilled installation. All stakeholders need to understand that a fabric first incorporating, a maintenance first approach, will pay dividends, and help to support the transition to net zero.

The [2026 BEFS Manifesto: Building a Better Scotland](#), which was produced following in-depth consultation activity with built environment stakeholders across Scotland, states:

“Retrofit of older properties to increase residents’ comfort, reduce fuel poverty, improve energy efficiency, and reduce carbon emissions is not happening quickly enough, and at the quality and scale required.”

BEFS hopes the outcomes of the consultation will help to inform the Warm Homes Plan and other relevant strategies, and to ultimately increase the rate of appropriate and effective building decarbonisation actions in the UK. Learning more about what alternative technologies will be deployable at scale, and of those, which will provide the best outcomes for climate change, wellbeing and value for money, will have significant benefits across public policy and society.

BEFS Manifesto development activity did not seek or uncover views on the specific technologies covered in the consultation, such as infrared heaters, heat batteries and biomass systems. On behalf of our Members and stakeholders, we wish to instead contribute a general statement, highlighting the need for fabric first approaches, alongside appropriate use and application of technologies that carefully consider the typologies, and assess the conditions, of traditional buildings.

A practical response to the need to scale up decarbonisation activity is under active consideration by the Retrofit Roundtable, a group of key built environment sector stakeholders including BEFS. Through regular meetings and Parliamentary gatherings, the Retrofit Roundtable, which is facilitated by the Chartered Institute of Building in Scotland, investigate and promote solutions to the retrofit challenge emerging from the sector.

Its [2023 Meeting Scotland's Retrofit Challenge report](#) highlighted the urgent need for stepping up action on retrofit to meet fuel poverty, building maintenance and Net Zero commitments and targets. While being realistic on the cross-policy complexity of retrofit and the varied effectiveness and costs of new technologies and processes, the report identifies a need for improved joined-up policymaking to overcome barriers and capitalise on opportunities to make serious progress.

The 2026 BEFS Manifesto supports the report's key recommendations, which call on the Scottish Government to create a Ministerial Oversight Group on Retrofit. This Oversight Group will have the authority and remit to work across the full range of relevant policy directorates, Ministers and Cabinet Secretaries, to develop the resources and programmes to meet the retrofit challenge in the short and longer term.

The Retrofit Roundtable also wish to see the Oversight Group devise and implement a Retrofit Delivery Plan, to provide: clarity of funding across public sector portfolios and external funders; retrofit solutions tailored to the needs of particular building types; long-term targets driven by evidence; measurement tools to track progress; and consideration on meeting the challenge on workforce capacity and skills, and the quality of retrofit works.

BEFS also works with the [Existing Homes Alliance](#), a coalition of housing, environmental, fuel poverty, consumer and industry organisations that share a mission to improve existing homes. The Alliance is calling on the next Scottish Government to maintain and build on Home Energy Scotland and support the growth of [locally-based retrofit services](#) to support people with in-depth planning and coordination of home upgrades.

Retrofitting older buildings for energy efficiency is a relatively modest investment to alleviate a wide range of issues, just some of which are carbon emissions, fuel poverty, health and wellbeing, and improved preservation of key community, tourism and architectural assets. Growth of the retrofitting industry using appropriate technological solutions will simultaneously create skilled jobs and training opportunities, to the benefit of local economies across urban settlements, rural regions and islands.

BEFS notes the Department is not seeking further views on VAT relief on retrofit project activity following earlier consultations, but that general views on costs and barriers are welcome. We wish to highlight our Members' long-standing belief that the current tax policy of applying 20% VAT on most retrofit, repair and maintenance work, while most demolition and new-build projects are not charged VAT at all, works against aspirations to decarbonise the existing built environment.

BEFS Members believe this acts as a disincentive to repairing, refurbishing and reusing energy inefficient buildings, and encourages considerations towards demolishing and rebuilding. Retrofitted buildings will often outperform new buildings in lifetime carbon emission calculations, and demolitions can greatly diminish physical and intangible cultural heritage, to the detriment of local communities and economies.

BEFS Member Historic Houses estimated in 2025 [that £7m in economic benefits](#) could be realised from a VAT rebate on historic listed buildings in the UK that are open to the public for at least 28 days per year. A 2024 research report into [VAT on Listed Buildings](#), commissioned by Historic Environment Scotland, also drew attention to the potential value of a VAT rebate scheme for historic assets.

When these new-build vs re-use choices emerge, climate change and heritage policies should favour reuse, but the tax levers often push the outcomes in the direction of new-build. Internationally, the standard VAT rate tends to be applied to demolition, and BEFS Members generally believe Scotland and the UK should adopt a similar approach, especially as retrofit works play such an impactful role in creating an environmentally, socially, and economically sustainable built environment.

In conversations in Scotland and the UK, within the Heat in Buildings Bill, Warm Homes Plan and linked legislation, it will be important that maintenance, repair and fabric first approaches receive appropriate attention. To be achieved, these strategies and wider targets for Net Zero requires a shift in approach and mindset. The new Energy Performance Certificate regulations, Minimum Energy Efficiency Standards and the Heat and Energy Efficiency Technical Suitability Assessment, and appropriate guidance from Historic Environment Scotland, can be effective proposed pathways.

It remains crucial that there is alignment of approach across the policy landscape; this will involve investing in the right skills across disciplines, but not in isolation, ensuring consumers have access to the right options - and know what they are.

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

RESPONDENT INFORMATION

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The Department for Energy Security and Net Zero would like your permission to publish your consultation response. Please indicate your publishing preference: Publish response with name

Are you content for the UK 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

Date of submission: 9 February 2026

