

Equality Impact Assessment Record

Title of policy: New Build Heat Standard

Minister: Patrick Harvie - Minister for Zero Carbon Buildings, Active Travel and Tenants' Rights

Lead official: Mark Stewart - Heat in Buildings Regulation

Officials: Callum McGrath - OCEA: Energy and Heat Analysis
Adrienne Attorp - OCEA: Energy and Heat Analysis
Emily Creamer - OCEA: Climate Change Social Research
John Hay - Heat in Buildings Regulation

Directorate: Directorate for Energy and Climate Change

Division: Heat in Buildings Regulation Enforcement Unit

Team: New Build Heat Standard Team

Is this new policy or revision to an existing policy? New

Screening

Policy Aim

The aim of the New Build Heat Standard (NBHS) is to prohibit the use of direct emissions heating systems (DEH) in new buildings applying for a building warrant from 1 April 2024 onwards. This requirement will also apply to specific types of conversions (however, only in certain circumstances).

It is expected that the following 4 key outcomes will be delivered through the introduction of the NBHS:

- 1. Our new buildings no longer contribute to climate change;**
- 2. The systems we use to heat our buildings provide us with a reliable supply of heat;**
- 3. Opportunities for retraining and upskilling of workforce across Scotland; and**
- 4. Our indoor and outdoor spaces are with cleaner air.**

The introduction of the NBHS aligns with the National Performance Framework, meeting three of the National Outcomes:

- **We value, enjoy, protect and enhance our environment;**
- **We have a globally competitive, entrepreneurial, inclusive and sustainable economy; and**
- **We have thriving and innovative businesses, with quality jobs and fair work for everyone.**

Directly applicable National Indicators, which measure progress to delivering Scotland's National Outcomes are:

- **Reduce Greenhouse Gas Emissions;**
- **Improve Scotland's reputation;**
- **Improve people's perceptions of their neighbourhood; and**
- **Reduce Scotland's carbon footprint.**

Who will it affect?

The policy will directly affect developers (both domestic and non-domestic), manufacturers, installers and the wider heating supply chain.

In addition, the policy will directly impact people purchasing new homes, and will indirectly affect those either living in or using new buildings – as well as those undertaking conversions of existing buildings (however, this is only where certain criteria are met).

What might prevent the desired outcomes being achieved?

Two public consultations on the NBHS have taken place, and responses received to these have highlighted the following key areas of concern relating to the successful delivery of the NBHS (particularly around the achievement of Scottish new build housing targets):

1. Supply chain capacity - A competent and skilled workforce is crucial.

In an effort to support this, in November 2022, Scottish Government published the Heat in Buildings Supply Chains Delivery Plan¹. This plan sets out the steps that the Scottish Government will take to support the growth of the green heat sector to ensure the right people, skills and technology are in place.

2. Energy network capacity – the transition to zero direct emissions heating systems (such as heat pumps), will require sufficient grid capacity to accommodate this additional demand.

There have been a number of recent, positive steps at a UK-level in this regard:

- Ofgem’s RIIO-ED2 determination has confirmed allowed expenditure of £2.7 billion for the distribution network companies in Scotland and, in addition, ‘uncertainty mechanisms’ are available to support the distribution network operators to invest (should demand be greater than anticipated); and
- From April 2023, demand connections (at a distribution level) will no longer have to pay for the reinforcement elements of the cost of connection.

In developing this policy the Scottish Government is mindful of the three needs of the Public Sector Equality Duty (PSED) - eliminate unlawful discrimination, harassment and victimisation, advance equality of opportunity between people who share a protected characteristic and those who do not, and foster good relations between people who share a protected characteristic and those who do not. The purpose of this assessment is to mitigate and/ or eliminate any negative impacts identified. We are also mindful that the equality duty is not just about negating or mitigating negative impacts, as we also have a positive duty to promote equality.

Specifically, this EQIA assesses any impacts of applying a proposed new or revised policy or practice against the needs relevant to a public authority’s duty to meet the public sector equality duty.

As set out within this document, we have not identified any impacts on any of the protected characteristics listed in the Equality Act 2010.

In terms of equality considerations, it is also important to highlight that the Scottish Government does not solely hold the only levers which would affect who can access a home or the volume of new buildings delivered per annum (as, for example, this could be driven by other market factors).

Stage 1: Framing

Results of framing exercise

This Equality Impact Assessment record has been completed on the basis that the answer to the following two questions is ‘yes’:

¹ [Towards an Industry for Green Heat: heat in buildings supply chains delivery plan - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/heat-in-buildings-supply-chains-delivery-plan/pages/1-introduction.aspx)

- Will your policy affect people, or will your policy impact on another policy that affects people? **Yes, as the policy will impact on which heating systems are available with new buildings from 1 April 2024 onwards.**
- Will individuals have access to, or be denied access to a service or function as a result of your policy or the changes you propose to make? **Yes, the NBHS will prohibit the use of direct emissions heating systems in new buildings.**

Extent/Level of EQIA required

Initial data gathering was undertaken by analytical colleagues within the Scottish Government’s Office of the Chief Economic Adviser (OCEA). This included the use of the Scottish Government’s Equality Evidence Finder², as well as the various sources highlighted within Stage 2 below.

As demonstrated at Stage 2, there is, however, a lack of data/ evidence specifically relating to new buildings – with the majority of findings focussed around Scotland’s existing building stock. The most relevant findings have been extracted and included below for consideration.

In an effort to address the availability of relevant data, during the second consultation on the NBHS (the ‘Part II’ consultation³), the Scottish Government asked the following equality-related questions:

- How might these proposals impact upon people with one or more of the protected characteristics listed in the Equality Act 2010 (for example: a positive, negative or neutral impact)?
- How might these proposals help the Scottish Government ensure due regard of the three needs of the public sector equality duty(PSED)?

These questions were drafted with input from OCEA and the Equality Policy and Mainstreaming team.

In addition, a consumers/ equality themed hybrid workshop was held in Atlantic Quay, Glasgow, on 27 September 2022. As part of the webinar breakout session, participants were also asked the consultation questions mentioned above.

In an effort to ensure participation from key equality stakeholders groups, direct contact was made (via email) with the following organisations:

| Category | Number of organisations approached | Consultation response received |
|---------------------|------------------------------------|--------------------------------|
| Age | 15 | 0 |
| Disability | 12 | 0 |
| Race | 5 | 0 |
| Religion and Belief | 6 | 0 |

² [Scottish Government’s Equality Evidence Finder](#)

³ [New Build Heat Standard: consultation - part two - gov.scot \(www.gov.scot\)](#)

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| Sex | 5 | 1 |
| Sexual Orientation | 4 | 0 |
| Gender Reassignment | 2 | 0 |
| Pregnancy and Maternity | 1 | 0 |
| Other | 1 | 0 |

The data and findings presented within this EQIA are proportionate to the level of impact this policy will have.

Stage 2: Data and evidence gathering, involvement and consultation

| Characteristic⁴ | Evidence gathered and Strength/quality of evidence | Source | Data gaps identified and action taken |
|-----------------------------------|---|---|---|
| Age | <p>No specific evidence in relation to new builds.</p> <p>Age of new home buyers Data from the Help to Buy (Scotland) scheme indicates that the vast majority of new home purchases were made by those under 35 years of age (77%), with the average (mean) age of Help to Buy recipients being 31 years old.</p> <p>Fault reporting in homes When considering existing buildings, older households are</p> | <p>Scottish house condition survey: 2019 key findings - gov.scot (www.gov.scot)</p> <p>Help to Buy (Scotland): Help to Buy Characteristics Report 2020-21</p> | <p>Within the Part II consultation, we asked:</p> <ul style="list-style-type: none"> • How might these proposals impact upon people with one or more of the protected characteristics listed in the Equality Act 2010 (for example: a positive, negative or neutral impact)? • How might these proposals help the Scottish Government ensure due regard of the three needs of the public sector |

⁴ Refer to Definitions of Protected Characteristics document for information on the characteristics

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| | <p>less likely than families and other household types to report that their heating system doesn't always keep them warm in winter; 12%, compared to 16% of families and 21% of other households.</p> | | <p>equality duty(PSED)?</p> <p>Within the consultation feedback, respondents mentioned the elderly as requiring higher levels of heat and delivered with more consistency - as these groups were more likely be at home for longer periods than the average householder.</p> <p>It was highlighted that building users could now have the ability to monitor energy use and set smart controls, so that there is no risk of periods without heat. However, smart controls are not unique to non-DEH systems and they will also vary by the zero direct emissions (ZDEH) system chosen.</p> |
| <p>Disability</p> | <p>No specific evidence in relation to new builds.</p> <p>Disabled people are more likely to live in social rented housing: "Social renters are more likely to have a limiting, long-term physical or mental health</p> | <p>Scottish household survey 2019: annual report</p> | <p>As noted above, two questions relating to this EQIA were asked within the consultation in an effort to gain an understanding of potential impacts.</p> <p>Within the consultation feedback, issues were flagged in relation to heat demand and need</p> |

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| | condition (45%) than those in the private rented sector (22%), those who own their homes outright (28%) and those who own their homes through a mortgage (14%).” | | for accessible controls. Running costs were also highlighted as an area of concern. However, the greater use of monitoring of homes could help to ensure the required level of heat is delivered – although this also is not unique to non-DEH systems. |
| Sex | No specific evidence in relation to new builds. Data from the Help to Buy (Scotland) scheme highlighted that, for purchases involving one named buyer, 46% of purchasers were female and 54% were male. For purchases involving two named buyers, the split of purchasers was 51% female and 49% male. | Help to Buy (Scotland): Help to Buy Characteristics Report 2020-21 | Consultation feedback: <ul style="list-style-type: none"> • Studies provided showing plus 2 degrees Celsius heat requirement on average for women compared with men⁵⁶. Women more likely to live in social housing and suffer any knock-on ill-effects should new systems fail. |
| Pregnancy and Maternity | No specific evidence in relation to new builds. | N/A | Consultation feedback: <ul style="list-style-type: none"> • Pregnant women and new mothers |

⁵ [Gender differences in thermal comfort and use of thermostats in everyday thermal environments](#), Building and Environment (2007)

⁶ [Energy consumption in buildings and female thermal demand](#), Nature Climate Change (2015)

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| | | | <p>mentioned as having high heat demands coupled with consistency of supply.</p> <ul style="list-style-type: none"> • The NBHS will focus primarily on heat. It is, however, important to highlight that the recently concluded Building Standards energy review will, from February 2023, introduce measures to reduce the heat demand within new buildings. |
| Gender Reassignment | No specific evidence in relation to new builds. | N/A | <p>Consultation feedback:</p> <ul style="list-style-type: none"> • No issues highlighted. |
| Sexual Orientation | No specific evidence in relation to new builds. | N/A | <p>Consultation feedback:</p> <ul style="list-style-type: none"> • No issues highlighted. |
| Race | <p>No specific evidence in relation to new builds.</p> <p>In 2019, 82% of those who were White Scottish lived in socially rented</p> | Scottish household survey 2019: annual report | <p>Consultation feedback:</p> <ul style="list-style-type: none"> • No issues highlighted. |

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| | <p>households compared to 80% of owner occupied households, 55% of households in the private rented sector, and 65% of households in other tenures. These percentages are similar to previous years.</p> <p>In the same year 15% of adults in private rented households were White Other British compared to 14% of adults in owner occupied homes and 6% in socially rented households.</p> <p>In 2019, 6% of adults in private rented households were Asian, Asian Scottish or Asian British compared to 2% of adults in socially rented households and 2% of adults in owner occupied households.</p> <p>In 2019, 3% of adults in socially rented households were African, Caribbean or</p> | | |
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| | Black compared to 1% of adults in private rented households, 1% of adults in other tenures and 0% of adults in owner occupied households. | | |
| Religion or belief | No specific evidence in relation to new builds. | N/A | Consultation feedback: <ul style="list-style-type: none"> No issues highlighted. |
| Marriage and civil partnership | No specific evidence in relation to new builds. | N/A | Consultation feedback: <ul style="list-style-type: none"> No issues highlighted. |

Stage 3: Assessing the impacts and identifying opportunities to promote equality

Having considered the data and evidence you have gathered, this section requires you to consider the potential impacts – negative and positive – that your policy might have on each of the protected characteristics. It is important to remember the duty is also a positive one – that we must explore whether the policy offers the opportunity to promote equality and/or foster good relations.

Do you think that the policy impacts on people because of their age?

| Age | Positive | Negative | None | Reasons for your decision |
|---|----------|----------|------|--|
| Eliminating unlawful discrimination, harassment and victimisation | | | X | As highlighted at Stage 2 above, no effects were identified either as part of the evidence review or consultation feedback received. |
| Advancing equality of opportunity | | | X | As highlighted at Stage 2 above, no effects were identified either as part of the evidence review or consultation feedback received. Some positive effects of the deployment of heating controls have been identified, however these are not unique to ZDEH systems. |
| Promoting good relations | | | X | As highlighted at Stage 2 above, no effects were identified either as |

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| among and between different age groups | | | | part of the evidence review or consultation feedback received. |
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Do you think that the policy impacts disabled people?

| Disability | Positive | Negative | None | Reasons for your decision |
|---|-----------------|-----------------|-------------|--|
| Eliminating unlawful discrimination, harassment and victimisation | | | X | As highlighted at Stage 2 above, no effects were identified either as part of the evidence review or consultation feedback received. |
| Advancing equality of opportunity | | | X | As highlighted at Stage 2 above, no significant issues were flagged either as part of the evidence review or consultation feedback received. Some positive effects of the deployment of heating controls and their accessibility have been identified, however these are not unique to ZDEH systems. |
| Promoting good relations among and between disabled and non-disabled people | | | X | As highlighted at Stage 2 above, no effects were flagged either as part of the evidence review or consultation feedback received. |

Do you think that the policy impacts on men and women in different ways?

| Sex | Positive | Negative | None | Reasons for your decision |
|--|-----------------|-----------------|-------------|--|
| Eliminating unlawful discrimination | | | X | As highlighted at Stage 2 above, effects were flagged either as part of the evidence review or consultation feedback received. |
| Advancing equality of opportunity | | | X | As highlighted at Stage 2 above, no effects were identified either as part of the evidence review or consultation feedback received. |
| Promoting good relations between men and women | | | X | As highlighted at Stage 2 above, no effects were identified either as part of the evidence review or |

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| | | | | consultation feedback received. |
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Do you think that the policy impacts on women because of pregnancy and maternity?

| Pregnancy and Maternity | Positive | Negative | None | Reasons for your decision |
|-------------------------------------|-----------------|-----------------|-------------|--|
| Eliminating unlawful discrimination | | | X | As highlighted at Stage 2 above, no effects were identified either as part of the evidence review or consultation feedback received. |
| Advancing equality of opportunity | | | X | As highlighted at Stage 2 above, no effects were identified either as part of the evidence review or consultation feedback received. |
| Promoting good relations | | | X | As highlighted at Stage 2 above, no effects were identified either as part of the evidence review or consultation feedback received. |

Do you think your policy impacts on people proposing to undergo, undergoing, or who have undergone a process for the purpose of reassigning their sex? (NB: the Equality Act 2010 uses the term 'transsexual people' but 'trans people' is more commonly used)

| Gender reassignment | Positive | Negative | None | Reasons for your decision |
|-------------------------------------|-----------------|-----------------|-------------|--|
| Eliminating unlawful discrimination | | | X | As highlighted at Stage 2 above, no effects were identified either as part of the evidence review or consultation feedback received. |
| Advancing equality of opportunity | | | X | As highlighted at Stage 2 above, no effects were identified either as part of the evidence review or consultation feedback received. |
| Promoting good relations | | | X | As highlighted at Stage 2 above, no effects were identified either as part of the |

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| | | | | evidence review or consultation feedback received. |
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Do you think that the policy impacts on people because of their sexual orientation?

| Sexual orientation | Positive | Negative | None | Reasons for your decision |
|-------------------------------------|-----------------|-----------------|-------------|--|
| Eliminating unlawful discrimination | | | X | As highlighted at Stage 2 above, no effects were identified either as part of the evidence review or consultation feedback received. |
| Advancing equality of opportunity | | | X | As highlighted at Stage 2 above, no effects were identified either as part of the evidence review or consultation feedback received. |
| Promoting good relations | | | X | As highlighted at Stage 2 above, no effects were identified either as part of the evidence review or consultation feedback received. |

Do you think the policy impacts on people on the grounds of their race?

| Race | Positive | Negative | None | Reasons for your decision |
|-------------------------------------|-----------------|-----------------|-------------|--|
| Eliminating unlawful discrimination | | | X | As highlighted at Stage 2 above, no effects were identified either as part of the evidence review or consultation feedback received. |
| Advancing equality of opportunity | | | X | As highlighted at Stage 2 above, no effects were identified either as part of the evidence review or consultation feedback received. |
| Promoting good race relations | | | X | As highlighted at Stage 2 above, no effects were identified either as part of the evidence review or consultation feedback received. |

Do you think the policy impacts on people because of their religion or belief?

| Religion or belief | Positive | Negative | None | Reasons for your decision |
|-------------------------------------|-----------------|-----------------|-------------|--|
| Eliminating unlawful discrimination | | | X | As highlighted at Stage 2 above, no effects were identified either as part of the evidence review or consultation feedback received. |
| Advancing equality of opportunity | | | X | As highlighted at Stage 2 above, no effects were identified either as part of the evidence review or consultation feedback received. |
| Promoting good relations | | | X | As highlighted at Stage 2 above, no effects were identified either as part of the evidence review or consultation feedback received. |

Do you think the policy impacts on people because of their marriage or civil partnership?

| Marriage and Civil Partnership⁷ | Positive | Negative | None | Reasons for your decision |
|---|-----------------|-----------------|-------------|--|
| Eliminating unlawful discrimination | | | X | As highlighted at Stage 2 above, no effects were identified either as part of the evidence review or consultation feedback received. |

Stage 4: Decision making and monitoring

Identifying and establishing any required mitigating action

⁷ In respect of this protected characteristic, a body subject to the Public Sector Equality Duty (which includes Scottish Government) only needs to comply with the first need of the duty (to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010) and only in relation to work. This is because the parts of the Act covering services and public functions, premises, education etc. do not apply to that protected characteristic. Equality impact assessment within the Scottish Government does not require assessment against the protected characteristic of Marriage and Civil Partnership unless the policy or practice relates to work, for example HR policies and practices.

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| Have positive or negative impacts been identified for any of the equality groups? | No |
| Is the policy directly or indirectly discriminatory under the Equality Act 2010 ⁸ ? | No |
| If the policy is indirectly discriminatory, how is it justified under the relevant legislation? | N/A |
| If not justified, what mitigating action will be undertaken? | N/A |

Describing how Equality Impact analysis has shaped the policy making process

As previously mentioned, this policy has been developed with full regard for results from the Equality Impact analysis. Specific questions were included within the public consultation, and a public webinar – tailored to specifically consider equality issues – was held during this consultation process. Furthermore, Scottish Government officials attempted to reach out to a wide-range of key equality stakeholder groups.

Due to the findings contained within this record, no further changes were required to the policy itself, as no negative impacts were recorded.

Going through this process, we have taken steps to ensure that the policy does not have a negative impact on people and communities. As part of the wider-work on the Business and Regulatory Impact Assessment (BRIA), research commissioned identified there may be additional capital and operational costs associated with non-DEH technologies when compared to direct emissions heating system alternatives. However, this is being addressed within the accompanying BRIA and Fairer Scotland Duty (FSD) assessment.

Monitoring and Review

N/A - no equality issues were identified within this EQIA.

Stage 5 - Authorisation of EQIA

Please confirm that:

- ◆ This Equality Impact Assessment has informed the development of this policy:

⁸ See EQIA – Setting the Scene for further information on the legislation.

Yes No

- ◆ Opportunities to promote equality in respect of age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation have been considered, i.e.:
 - Eliminating unlawful discrimination, harassment, victimisation;
 - Removing or minimising any barriers and/or disadvantages;
 - Taking steps which assist with promoting equality and meeting people's different needs;
 - Encouraging participation (e.g. in public life)
 - Fostering good relations, tackling prejudice and promoting understanding.

Yes No

- ◆ If the Marriage and Civil Partnership protected characteristic applies to this policy, the Equality Impact Assessment has also assessed against the duty to eliminate unlawful discrimination, harassment and victimisation in respect of this protected characteristic:

Yes No Not applicable

Declaration

I am satisfied with the equality impact assessment that has been undertaken for New Build Heat Standard and give my authorisation for the results of this assessment to be published on the Scottish Government's website.

Name: Susan Kearns

Position: Deputy Director, Heat in Buildings Policy and Regulation

Authorisation date: 28 April 2023