

Accelerating the Deployment of Heat Pumps in Scotland

Heat Pump Association, Nesta and The MCS Foundation

September 2025

Background - Why Heat Pumps?



Heating is one of Scotland's largest sources of emissions with fossil fuel boilers in homes and businesses accounting for around **13% of total greenhouse gas emissions**¹.



Heat pumps are a **proven, scalable solution that can rapidly decarbonise** while delivering clean, comfortable heating year-round.



Scotland has over 2.5 million homes yet **only 11% of households** have a renewable or very low emissions heating system².



By **2045, 92% of existing homes will need to have low-carbon heating**, reaching all homes by 2050. Annual heat pump installations in existing homes will need to accelerate rapidly, reaching nearly **35,000 by 2030**³ compared to 7,355 MCS certified heat pump installations in 2024.



The **Heat in Buildings Strategy** has set important ambitions, but **policy certainty, skills investment, and consumer affordability** are now critical to unlock deployment at scale.



Scotland is **producing more renewable electricity than it uses, with the equivalent of over a third exported in 2023**⁴. Accelerating the rollout of electrified heating technologies that use this energy locally is a clear strategic opportunity to cut exports, strengthen energy security and keep the economic and environmental benefits within Scotland.

¹ Scottish Government, Heat in Buildings Strategy (2021)

² MCS Data Dashboard (accessed August 2025)

³ CCC, Scotland's Carbon Budgets: Advice for the Scottish Government (2025)

⁴ Scottish Government, Energy Statistics for Scotland - Q3 2024 (2024)



Three Key Policy Priorities

1. Certainty

Introduce and pass an ambitious Heat in Buildings Bill in the final year of this Scottish Parliament.



- Provide **primary legislative powers** to allow for legislating for **phasing out fossil fuel heating and point of purchase requirements**, to come into effect for end users once electricity prices have fallen.
- Support the **growth in the installations of heat pumps** in Scotland. Currently, there is nothing in the Bill to support increased heat pump installs explicitly.
- Give **industry confidence** to invest and expand by **setting firm timelines**.
- Align targets with **Scotland's net zero commitments** and 2045 goal.

2. Workforce and Training

Build workforce and supply chain skills to deliver a transition to low carbon heating.



- Introduce a **grant for Heat Pump Training courses**, offering a minimum of £500 per person towards recognised training courses.
- Continue to **fund and support the first-year fees of MCS certification** for heat pump installation businesses.

3. Affordability

Ensure households and businesses can access and benefit from low carbon heating.



- Continue funding the universally available **Home Energy Scotland Grant and Loan Scheme**.
- Continue to provide full-cost funding for heat pumps through the **Warmer Homes Scotland and related fuel poverty schemes**, and incentives for social housing to install heat pumps.
- Maintain funding for the **Scottish Heat Network Fund** to support deployment of heat pumps via shared and ambient loop networks.
- Streamline the Home Energy Scotland Grant and Loan Scheme to make it **quicker and easier for both consumers and installers** to access.
- We call for **the installer to play a much more proactive, leading role** in applying for the Home Energy Scotland Grant and would support the installer being paid directly.
- Publish **monthly data on Home Energy Scotland Grant and Loan applications and installations** to improve transparency and track progress.

UK Wide Actions

The UK Government has committed to consulting on how best to reduce the price of electricity relative to gas, aiming to make electricity cheaper and provide a greater incentive for those transitioning to electric heating.

This reform would improve the **running cost advantage of heat pumps** over fossil fuel boilers and help households and businesses make the switch sooner.

- The UK Government should deliver **swift and ambitious rebalancing of electricity and gas prices** to maximise the cost benefit of heat pumps.
- The **Scottish Government should continue to actively engage** with the UK Government regarding making electricity cheaper relative to gas and **advocate for Scottish consumers to see low-cost renewable electricity generation reflected in their electricity bills**.