

# Installation and maintenance licences for heat networks

## Scottish Government Consultation

To: All Chief Executives, Main Contacts and APSE Contacts in Scotland. For information only England, Northern Ireland and Wales.

### 1. Executive Summary

The Scottish Government has launched a consultation on proposals to introduce an installation and maintenance licensing system for heat networks. The proposals will be delivered through the forthcoming [Buildings \(Heating and Energy Performance\) and Heat Networks \(Scotland\) Bill](#).

The consultation focuses on establishing a system that enables heat network developers and operators to access statutory rights and powers, supporting the expansion of heat networks across Scotland. The proposals represent a shift from earlier plans for mandatory licensing towards an opt-in model, reflecting changes to the wider UK regulatory framework.

Local authorities have a key role in heat network development through their responsibilities for planning, zoning and the delivery of low-carbon heat. The consultation has implications for local government energy planning, infrastructure delivery and net zero objectives.

APSE encourages member authorities to engage with the consultation to ensure proposals are practical, proportionate, and aligned with local delivery experience.

Responses are due by **Friday 5<sup>th</sup> June 2026**.

[Click here](#) for further information and to submit your response.

[Click here](#) to read the full report.

### 2. Overview

The consultation sets out proposals for a new licensing system covering the installation and maintenance of heat networks. These licences are intended to give organisations access to statutory powers similar to those that currently help gas, electricity and water providers to

install, operate and maintain their infrastructure, as these powers will help to develop and operate heat networks more efficiently and cost-effectively.

This includes powers such as:

- Access to land
- Undertaking road works
- Installing and maintaining pipework and associated infrastructure

The aim is to remove barriers to deployment and support the growth of heat networks at scale, contributing to Scotland's wider decarbonisation goals.

The proposed model differs from earlier legislation by introducing an opt-in licensing approach, meaning only organisations that require these additional powers would need to apply.

## **Policy context and rationale**

Heat networks are a central component of Scotland's transition to low-carbon heating. The [Heat Networks \(Scotland\) Act 2021](#) established a framework to support their growth, including targets to significantly increase their contribution to heat supply. However, delivery has been slower than required, and barriers such as land access, infrastructure coordination, and project viability have limited deployment.

The current consultation reflects a shift in approach following the introduction of UK-wide regulation under the [Energy Act 2023](#). This Act has superseded parts of the 2021 Act and goes further than the Scottish legislation could go due to the limitations of the Scottish Government's devolved powers. The Scottish Government has moved away from the UK Government's proposed mandatory licensing scheme to avoid duplication and instead proposes a targeted, opt-in system focused on enabling delivery.

The proposals also align with Scotland's wider [net zero by 2045 commitments](#), recognising that heat networks are expected to play a significant role in decarbonising heat across both domestic and non-domestic buildings.

## **Why local authorities should engage**

Local authorities are central to the development and delivery of heat networks and will be directly affected by the proposed licensing framework.

Engagement is important because:

- Councils play a key role in local heat and energy planning, including heat network zoning.
- They are involved in planning and consenting processes for infrastructure.

- They may act as developers, facilitators or partners in heat network projects.
- Local authorities have direct insight into barriers to delivery, including land access, infrastructure coordination, and financial viability.

The proposed licensing system will influence how heat networks are delivered in practice, particularly in relation to accessing land and infrastructure. It may also affect how local authorities engage with developers and coordinate projects across their areas.

Local authority input will be critical to ensuring that the system is deliverable, supports local ambitions, and aligns with wider place-based energy planning.

### 3. Consultation Questions

The consultation questions are available in full below:

1. Do you agree that Scottish installation and maintenance licences should be opt in, meaning only organisations who want the associated rights and powers need apply?
2. Do you agree that installation and maintenance licences should be granted at organisation level rather than to individual networks, meaning that organisations with multiple heat networks only need to apply for one licence?
3. Do you agree that licences should be applicable to any type of heat network in Scotland irrespective of size or technology?
4. Are there any other considerations for the scope of licensing you wish to highlight?
5. Do you agree with the additional rights and powers which will be available to licence holders?
6. Are there any other rights and powers you feel should be considered for installing and maintaining heat networks?
7. Do you have any views on who the licence regulator should be?
8. Do you agree that the licence application process should focus on industry expertise and financial stability?
9. Do you agree that fuel poverty, greenhouse gas emissions and Just Transition are not appropriate requirements for an opt in installation and maintenance licence?
10. Do you agree licences should be subject to general and specific conditions, and limitations, which may be modified after the licence has been granted?
11. Do you agree licences should not have an end date unless revoked or surrendered?

12. Do you agree there should be a public register of installation and maintenance licences?
13. Is there any other information you think we should include on the public register of installation and maintenance licences?
14. Do you agree that there should be fees associated with recovering the costs of administering installation and maintenance licences?
15. Please provide any further comments on the proposals set out in this consultation.

## 4. APSE Comment

APSE encourages all member authorities to engage with this consultation and provide evidence based on their experience of heat network development, infrastructure delivery and local energy planning.

Heat decarbonisation remains a significant challenge for local government. The Scottish Government's [Heat in Buildings Strategy 2021](#) highlighted that heating accounts for over half of all energy use and around one third of greenhouse gas emissions, underlining the scale of the challenge facing local authorities in transitioning to low-carbon heat. Heat networks are expected to play a major role in achieving Scotland's net zero targets, with ambitions for substantial expansion over the coming years. However, deployment to date has been limited, highlighting the importance of addressing practical barriers to delivery.

Local authorities are at the forefront of this agenda, with responsibilities including planning, housing, and local heat and energy efficiency strategies. The introduction of a licensing system that enables access to statutory rights and powers represents an important step in supporting delivery, but it must be designed in a way that is workable in practice and aligned with local systems.

This consultation provides an opportunity to address issues early and support the scaling up of low-carbon heat infrastructure. Member authorities are encouraged to share evidence on barriers to heat network delivery.

Through APSE Energy and our member authority case studies, there has been some excellent best practice and knowledge sharing. APSE Energy's publication "[Heat Networks as part of the solution to decarbonisation](#)" and [APSE Energy's webinar – East Lothian Council: A Community Energy Network](#) provide great examples of this. For more information on APSE Energy please contact Phil Brennan ([PBrennan@apse.org.uk](mailto:PBrennan@apse.org.uk)) or James Jefferson ([JJefferson@apse.org.uk](mailto:JJefferson@apse.org.uk)) or visit our [APSE Energy section on our website](#).

Discussions on the way forward with heat networks and sharing of best practice also takes place in APSE Scotland's Climate Change and Renewables Network. Network meetings are

free to attend for APSE members. Previous presentations are available online [here](#) and upcoming meetings are listed [here](#).

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