

Scotland's Public Sector Clean Heat Development Fund: how to apply

Scottish Government Grant

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 published [guidance](#) on the Public Sector Clean Heat Development Fund, which provides grant funding of up to £30,000 per application to support the development of clean heat projects across Scotland's public sector estate.

The fund is designed to help eligible public sector organisations, including local authorities, undertake the early-stage development work required to progress clean heat projects towards future capital investment. Funding can be used for activities such as feasibility studies, technical assessments, heat decarbonisation plans and business case development.

The publication of the guidance provides local authorities with an opportunity to secure funding to develop projects that support the decarbonisation of public buildings, reduce greenhouse gas emissions and prepare investment-ready proposals for future delivery.

Eligible organisations are encouraged to review the guidance and application requirements before submitting an application.

Applications are due by **Wednesday 9th September 2026**.

Projects must be completed by **Wednesday 31st March 2027**.

[Click here](#) for further information.

Email spshdf@gov.scot to request an application pack.

2. Overview

The Scottish Government has launched the Public Sector Clean Heat Development Fund to help public sector organisations develop clean heat projects that contribute to Scotland's transition towards low-carbon heating. Rather than funding the installation of new heating

systems, the fund is intended to support the preparatory work required to develop robust, deliverable projects capable of attracting future capital investment.

The guidance sets out the purpose of the fund, eligibility requirements, the types of activity that can be supported, the application process and the assessment criteria that will be used when considering applications.

Policy context and rationale

Decarbonising heat remains one of the Scottish Government's key priorities in achieving Scotland's [statutory commitment](#) to reach net zero greenhouse gas emissions by 2045. Heating buildings continues to account for a significant proportion of Scotland's greenhouse gas emissions, making the transition away from fossil fuel heating systems an important component of national climate policy.

The Public Sector Clean Heat Development Fund supports the ambitions set out in the [Heat in Buildings Strategy](#), which outlines the long-term transition to zero direct emissions heating systems and improved energy efficiency across Scotland's building stock. It also complements the [Green Public Sector Estate Decarbonisation Scheme](#) (GPSEDS), under which [Scotland's Public Sector Heat Decarbonisation Fund](#) provides capital support for heat decarbonisation and energy efficiency projects across the public sector estate. Together, these programmes are intended to help public sector organisations plan, develop and deliver projects that contribute to Scotland's wider climate change and energy objectives.

By providing funding for early-stage project development, the Public Sector Clean Heat Development Fund addresses one of the principal barriers to delivering clean heat projects – the cost of undertaking feasibility studies, technical assessments and business case development before capital funding can be secured. In doing so, it helps create a pipeline of well-developed projects capable of progressing to future delivery and investment.

Funding available and eligibility

The fund offers grants of up to £30,000 per application to support the development of eligible clean heat projects.

Local authorities are among the organisations eligible to apply, alongside other public sector bodies. Funding is intended to support project development activities rather than capital works and may be used for a range of preparatory activities, including:

- feasibility studies;
- options appraisals;
- business case development;
- other technical assessments that directly support one of the themes outlined within the document.

The fund does not support existing staff costs, capital works, building energy audits, carbon management strategies, or estate management strategies.

Applicants are expected to demonstrate how the proposed work will contribute towards the delivery of a future clean heat project and meet the objectives of the fund.

Application Process

The published guidance explains the information applicants are required to provide, the assessment process and the evidence expected in support of applications. Applicants should ensure proposals clearly demonstrate the need for funding, the anticipated outcomes of the development work and how the project aligns with Scotland's wider clean heat and net zero ambitions.

Authorities considering an application are encouraged to review the guidance in full to ensure they understand the eligibility criteria, application requirements and submission timetable.

APSE Synergy can provide the external support that this fund is aimed at. Our consultants are experienced building services engineers (Certified CIBSE Low Carbon Consultant Design Specialist and CIBSE Heat Networks Consultant) with significant experience of drawing up feasibility studies and options appraisals for councils across the UK. They have delivered projects assessing opportunities to connect existing buildings to proposed heat networks, as well as undertaking heat network feasibility studies within Scotland, giving them a strong understanding of the Scottish regulatory and policy environment. In addition, they have completed a number of heat decarbonisation studies for large off-gas-grid sites, including a major camping facility, leisure centres, and several large crematoria. This breadth of experience means they are well placed to support local authorities in developing robust proposals and business cases across the two themes covered by the fund.

They have supported councils making bids for similar funds (the Low Carbon Skills Fund in England) and for the Scottish Public Sector Heat Decarbonisation Fund so understand how to make a successful application.

They would therefore be happy to have a discussion with any local authorities who are looking to bid for this grant. Please contact Phil Brennan at pbrennan@apse.org.uk or on 07920 801014.

3. APSE Comment

APSE welcomes the publication of the Public Sector Clean Heat Development Fund guidance and the continued support available to help public sector organisations develop clean heat projects. While many councils have ambitious climate change and net zero commitments, securing funding for the early stages of project development can often present a significant challenge, particularly where specialist technical studies or business case development are required before capital investment can be pursued.

The availability of up to £30,000 per application provides an opportunity for local authorities to strengthen project pipelines, develop investment-ready proposals and build the evidence required to support future clean heat projects across the public estate. Early-stage development funding can play an important role in reducing project risk and accelerating the delivery of low-carbon heating solutions.

APSE encourages eligible member authorities to make full use of the opportunities presented by the fund and to consider how it can support the progression of local clean heat ambitions. Early-stage project development is often one of the most significant barriers to delivering estate decarbonisation projects, and funding of this nature can help councils move proposals from concept to investment-ready schemes. APSE looks forward to continuing to support members as they develop and deliver projects that contribute to a more sustainable and energy efficient public estate.

Discussions on the way forward with heat decarbonisation and sharing of best practice 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](#). APSE Energy also facilitates the sharing of information, for more information on APSE Energy please [click here](#)

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Networks are a free service included as part of your authority's membership of APSE and all end with an informal lunch to facilitate networking with peers in other councils. If you do not currently receive details about APSE network meetings and would like to be added to our list of our contacts for your service area, please email enquiries@apse.org.uk

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