

# Greener homes, jobs and cheaper bills on the way as government launches biggest upgrade of nation's buildings in a generation

- Green Homes Grant opens for business today to help homeowners upgrade their homes and save up to £600 a year on their energy bills
- tenants also benefit from the new measures, with consultation launched on upgrading private rental properties by 2028 as well as new scheme for social housing
- new work will be created for accredited tradespeople in green construction, supporting 100,000 jobs across the UK
- £3 billion plan to upgrade buildings an essential part of building back greener from coronavirus and reaching net zero emissions by 2050

Homes, schools and hospitals across England are set to be greener and cheaper to run thanks to a £3 billion plan to upgrade the nation's buildings – the biggest in a generation.

Starting today, homeowners can sign up for big savings on upgrades to their homes under the government's £2 billion Green Homes Grant, with an additional £1 billion announced to improve the energy efficiency of publicly owned buildings.

The Green Homes Grant scheme will see the government fund up to two-thirds of the cost of home improvements up to £5,000. Those homeowners with low-incomes, including those on certain benefits, are eligible for a grant covering up to 100% of the cost of works up to £10,000. The scheme will improve the energy efficiency of over 600,000 homes.

Grants will be offered to cover green home improvements ranging from insulation of walls, floors and roofs, to the installation of double or triple glazing when replacing single glazing, and low-carbon heating like heat pumps or solar thermal – measures that could help households save up to £600 a year on their energy bills.

It will cut people's energy bills and carbon emissions, whilst also supporting over 100,000 jobs in green construction for local plumbers, builders and tradespeople across the UK.

The launch of the Green Homes Grant forms part of a wider plan to upgrade the nation's buildings expected to support an additional 120,000 jobs, which also includes:

- £1 billion to boost the energy efficiency of public buildings, including schools and hospitals through a Public Sector Decarbonisation Fund
- new measures to ensure nearly 3 million privately rented homes are

- upgraded to modern energy efficiency standards by 2028
- £50 million to improve the energy efficiency of social housing

Business and Energy Secretary Alok Sharma said:

Our plan to upgrade the nation's buildings and help build back better is good news for jobs, the environment and people's back pockets, as we reduce emissions and help cut energy bills.

I urge everyone to visit the Green Home Grants website to see how they can make the most of this fantastic scheme.

Chancellor Rishi Sunak said:

We promised to support jobs and protect the environment – and the Green Homes Grant delivers on this. We're giving homeowners, landlords and local authorities the funding they need to hire local tradespeople and make our homes more energy efficient. By supporting the green van men and women, we'll save money, save jobs and save the planet.

£500 million of the of the Green Homes Grant scheme has been assigned for local authorities to provide green home improvements for households with an income of under £30,000.

Tenants will also benefit from the government's plan to boost energy efficiency thanks to proposals for the private rental sector, published today. The improvements will be achieved by raising the energy performance standard of privately-rented properties, with landlords having to ensure homes meet Energy Performance Certificate (EPC) Band C requirements.

These could save nearly 3 million homes an average of £220 a year on their annual heating bills and lift up to 900,000 low income households out of fuel poverty. The plans could also support 90,000 jobs in the energy sector annually.

Costs will be capped at £10,000 and landlords can take advantage of the Green Homes Grant to fund the necessary improvements. The private rental sector measures are being phased in to limit the disruption to both landlords and tenants, with improvements having to be implemented for new tenancies from 1 April 2025 and for all tenancies by 1 April 2028.

In a further boost, the government is making £50 million available for social housing through a demonstrator project for the Social Housing Decarbonisation Fund (SHDF). This UK-wide demonstrator scheme will see grants supplied to upgrade the energy efficiency of over 2000 of the worst-performing social homes. It is estimated that those living in upgraded properties will save between £300 and £500 on their energy bills each year. As well as helping meet the country's net zero emissions target, the SHDF Demonstrator will

support up to 3200 jobs in the green energy sector.

The Public Sector Decarbonisation Scheme (PSDS) will help public sector organisations in England, including central government departments and their agencies, local authorities, schools and NHS Trusts, to install energy efficiency and low carbon heating measures, reducing energy bills and carbon emissions. Installations under the PSDS are expected to support up to 30,000 low-carbon jobs.

Today's energy efficiency plan forms part of the government's wider efforts to ensure the UK meets its legally binding target to reach net zero emissions by 2050 and build back greener from coronavirus.

Over the past decade, the UK has cut carbon emissions by more than any similar developed country. In 2019, UK emissions were 42% lower than in 1990, while our economy over the same period grew by 72%.

- the Green Homes Grant website opens for applications early on 30 September 2020
- organisations welcoming today's launch of the Green Homes Grant include Energy UK and the National Home Improvement Council

Kevin McCloud, presenter of Grand Designs, editor-at-large of Grand Designs magazine and front man for Grand Designs Live:

I'm pleased to see that the government-led Green Homes Grant initiative is leading the drive towards a green approach to home retrofits. This is an ethos that I, through Grand Designs, have personally championed for 2 decades, and I am delighted that Grand Designs magazine and BEIS are partnering to help make it happen.

Emma Pinchbeck – Chief Executive, Energy UK:

Building back better can begin at home. Improving the energy efficiency of our houses makes them healthier and more comfortable to live in and can cut hundreds of pounds a year off bills – all while reducing emissions and creating jobs. It shows how a green recovery focused on net zero can benefit the environment, the economy and customers.

Anna Scothern – Chief Executive, National Home Improvement Council:

Big improvements to the UK's existing housing stock are needed to achieve net zero carbon by 2050. We welcome the Green Homes Grant and are gearing up to implement the increased energy efficiency this substantial investment will deliver.

Additional workers are being employed and the skills of the

workforce enhanced and tested to ensure that homeowners receive quality installations, and we look forward to contributing to the scheme's success.

Ben Beadle, Chief Executive of the NRLA:

Improving the energy efficiency of rental housing is good news for tenants, landlords and local economies. We encourage all landlords to make use of this as it will mean housing standards are improved, tenants will save money and it will reduce carbon emissions across the whole sector.

Richard Morey, Managing Director of Grand Designs Portfolio:

As we face a global climate crisis, there's no time to waste when it comes to improving the energy efficiency of our homes. This is why the Grand Designs portfolio supports the government's Green Homes Grant initiative. I would urge homeowners and landlords to give serious consideration to the financial support offered by the voucher scheme.

Mike Thornton, Chief Executive of Energy Saving Trust:

The Green Homes Grant scheme is a great opportunity for householders to get a grant to make their home more energy efficient. This will reduce their energy bills and will also lower their carbon emissions, helping address the climate emergency and support the UK target of net zero by 2050.

Simon Ayers, Chief Executive of TrustMark – the government endorsed quality scheme:

Today marks a pivotal moment in not only our industry's recovery but our journey to reducing carbon emissions and being net zero by 2050. The Green Homes Grant is an important step in protecting and creating jobs across the energy and construction sectors and the time for innovation and development is now. Through the Green Homes Grant, we can collectively play a vital role in the delivery of lower carbon properties, with reduced energy costs and healthier and more comfortable living conditions for the occupiers.

Michael Lewis, E.ON UK CEO:

We've consistently said ensuring homes are fit for the future is

one of, if not the, best ways of stimulating our economy and creating jobs, as well as helping to meet net zero carbon targets. As a major partner to local authorities on the LAD scheme, today's announcement means we can accelerate our work to make homes more comfortable, healthier and cheaper to heat.

Also launched today are:

- a consultation on ecodesign and energy labelling requirements aimed at improving the energy- and resource-efficiency of certain white goods, industrial goods and electronic displays. The proposals are expected to save 1.3 MtCO<sub>2</sub>e by 2050 in the domestic sector, which is equivalent to a £3 billion reduction in household energy bills over the next 30 years
- a summary of responses to a [call for evidence on Energy Performance Certificates \(EPCs\)](#) targeted on areas to improve the effectiveness of EPCs in improving energy efficiency. The accompanying EPC action plan sets our commitments to address key issues raised by the responses

## **Green Homes Grant – England**

- Through the new Green Homes Grant scheme, homeowners (both freehold and leasehold owner occupiers), and landlords can apply for vouchers of up to £5,000 towards the cost of installing energy efficient and low-carbon heating improvements in their homes
- some homeowners on income-based or disability benefits may be eligible for vouchers covering the full cost of improvement
- there are 2 elements to this scheme, a £1.5 billion voucher scheme and a £500 million Local Authority Delivery scheme, through which funding will be allocated to local authorities to support low-income, fuel poor households. The first phase of the [Green Homes Grant Local Authority Delivery scheme](#) launched on 4 August 2020, with the bidding window for local authorities to submit funding proposals closing on 1 September 2020. We will be offering a total of funded projects of around £76 million across 56 bids allowing the upgrade of almost 11,000 homes for low income households. Successful local authorities will be notified by the end of September
- vouchers will help more than 600,000 households across England to save up to £600 a year on energy bills. Together the 2 elements of the scheme are supporting 100,000 jobs in green construction and helping reach net zero emissions by 2050
- the Green Home Grant scheme will open for voucher applications on 30 September 2020. Vouchers must be redeemed, and improvements completed, by 31 March 2021
- tradespeople need to be TrustMark registered to carry out these home improvements as part of the scheme. Homeowners can be sure that they have been thoroughly vetted and meet the required standards of good customer service, technical competence and good trading practices
- installers must follow [Construction and other outdoor work government guidance](#) for working safely during coronavirus (COVID-19) when undertaking installations

## **Public Sector Decarbonisation Scheme (PSDS) – England**

- applications for the PSDS can be made by public sector bodies with applications being assessed by the BEIS delivery body Salix Finance
- the PSDS will be supported by the Public Sector Low-Carbon Skills Fund. This will run in parallel with the PSDS and will enable public sector organisations to bring in staff with the appropriate skills and expertise to design and deliver energy efficient projects that bid for grant funding

## **Social Housing Decarbonisation Fund (SHDF) Demonstrator – UK**

- the SHDF Demonstrator is UK wide and will upgrade around 2,200 poor energy performing social homes (EPC rating D or below), using a whole house retrofit approach, with energy efficiency products such as floor and wall insulation and low carbon heating
- grant applications will be open to local authorities, including combined authorities, for work on their retained social housing stock or those owned by housing associations and will be awarded in late 2020
- upgrades to properties under the SHDF scheme will be carried out using a whole house retrofit approach to reduce costs overall. Using this approach, improvements will be coordinated throughout each property to optimise energy efficiency gains and reduce costs, while supporting and creating jobs across the whole house retrofit sector

## **Private Rental Sector consultation – England and Wales**

- under the government's recommended option, landlords would be required to reach EPC C rating, using the cost-based Energy Efficiency Rating (EER) rating on the EPC. To deliver this standard, government is proposing to raise the maximum spend landlords are required to invest to £10,000 (average per property spend around £5,000), and to introduce requirements for new tenancies from 1 April 2025 and all tenancies by 1 April 2028. The [consultation on improving the energy performance of privately rented homes](#) is open until 30 December 2020
- the Green Homes Grant Scheme, which is due to open on 30 September 2020, provides homeowners, including landlords, with vouchers for up to £5,000 towards the cost of making energy efficiency or low carbon improvements to their properties. The scheme is only open in England. Funding will be provided to the devolved administrations through Barnett consequential
- the new proposals will be a crucial step to net zero and fighting climate change, preventing 7.9 MtCO<sub>2</sub>e of direct carbon emissions over Carbon Budgets 4 and 5 from damaging the atmosphere – the equivalent of taking over 360,000 cars off the road in any given year
- local authorities are the enforcement bodies for the current and proposed regulations
- the maximum fine for non-compliance in the domestic private rented sector (PRS) is currently £5,000
- government intends to raise maximum domestic PRS fine levels to £30,000. Such a move would require primary powers
- evidence from a hedonic pricing study found properties currently at EPC C rating were worth around 5% more than those currently at EPC D rating,

after controlling for other factors such as property size and archetype