



**Department for
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& Industrial Strategy**

Lord Callanan
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Dear Jonathan,

Thank you for your email dated 6 July to the Ministry of Housing, Communities and Local Government (MHCLG), enclosing correspondence from your constituent, regarding the energy performance standards of homes. Your email has been passed to my Department and I am replying as this matter falls within my Ministerial portfolio.

raised the Climate Change Committee's recent Independent Assessment of UK Climate Risk in which the resilience of new buildings in England is discussed, particularly in terms of passive cooling measures to counteract future high temperatures. As she may be aware, MHCLG have built into the planning system, through the National Planning Policy Framework and its accompanying guidance, clear expectations on adaptation and resilience to climate change impacts. As a result, all plans for new homes should take account of our changing climate, including implications for flood risk, coastal change, water supply, biodiversity, landscapes, and rising temperatures.

Overheating in buildings has been highlighted as a key risk for the health and productivity of people in the United Kingdom - the Government is clear that we must ensure that improving the energy efficiency of new homes does not have unintended consequences by increasing the risk of overheating, and that the homes of the future are equally resilient to a range of weather conditions. MHCLG's recent consultation on "The Future Buildings Standard" sets out our proposals to reduce the risk of overheating in new residential buildings by introducing a new overheating mitigation requirement in the Building Regulations. The consultation closed on 13 April 2021, and MHCLG will respond in due course, setting out further steps to further enhance the resilience of new homes.

also asked about the steps being taken to ensure improvements in the energy efficiency of existing homes. The Government remains committed to the aspiration set out in the Clean Growth Strategy, that as many homes as possible are improved to Energy Performance Certificate (EPC) band C by 2035, where practical, affordable, and cost effective. We believe this represents a cost-effective step towards our net zero goal, helping to prepare homes for low-carbon heat. Our approach seeks to encourage as much action as possible in the 2020s. To that end, we have taken a number of steps, including consulting on raising minimum standards to EPC Band C for private rented sector homes by 2028 for all tenancies; committing to review the Decent Homes Standard (DHS) for social housing to consider how it can better support the decarbonisation and energy efficiency of social homes; and committing to consult on regulatory options for improving the energy performance of owner-occupied homes in 2021.

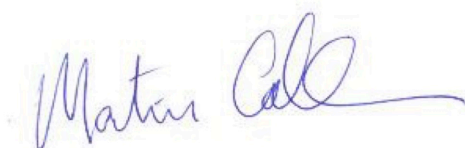
The 2019 Conservative Manifesto included a commitment to a £3.8bn Social Housing Decarbonisation Fund (SHDF) over a 10-year period, to improve the energy performance of social rented homes. The Summer Economic Update announced the SHDF Demonstrator project, launched in 2020, which has awarded £62m of funding to social landlords across England and Scotland to test innovative approaches to retrofitting at scale, seeing over 2300 social homes improved to at least EPC band C.

The Government has announced up to a further £160m of funding for FY21/22 to support the 10 Point Plan and make further progress towards delivering the Government's commitment to invest in the energy performance of homes. In addition to SHDF funding being available to all registered providers of social housing in England, we will also be levelling-up access to resource, knowledge, and expertise through the Technical Assistance Facility (TAF) under the name Social Housing Retrofit Accelerator, to help social housing providers across the country to apply for grant funding. TAF will be a free service to develop high quality projects and share good practice, as well as guidance on training to increase knowledge and technical support.

The Energy Company Obligation (ECO) scheme, worth £640m per annum, is a legal obligation placed on larger energy suppliers to deliver energy efficiency and heating measures to fuel poor, low income, and vulnerable households across Great Britain. As announced in the Sustainable Warmth Strategy, the successor scheme, ECO4, will run from 2022-26 and will be worth £1bn per annum. ECO4 will accelerate our efforts in improving the energy efficiency ratings of homes to meet fuel poverty targets and reduce carbon emissions, targeting homes with Energy Performance Certificate (EPC) band D-G properties. We are currently consulting on the design of ECO4, further information as well as an opportunity to respond to the response can be found here: www.gov.uk/government/consultations/design-of-the-energy-company-obligation-eco4-2022-2026.

The Sustainable Warmth Competition brings together two fuel poverty schemes into a single funding opportunity for Local Authorities (LAs). Funding is available to upgrade homes both on and off-gas grid and is comprised of The Local Authority Delivery (LAD) Phase 3 (a third phase of LAD with £200m available) and the Home Upgrade Grant (HUG) Phase 1 (£150m for low-income households with homes off-gas grid through the Home Upgrade Grant (HUG) scheme). The Government is committed to tackling fuel poverty and helping the most vulnerable by increasing the energy efficiency of homes, reducing the cost of bills, contributing to Net Zero targets, and supporting low-income households in the transition to Low-Carbon heating. This competition will provide funding to support these objectives and will support the wider 'levelling up' agenda.

Thank you again for taking the time to write. I hope you will both find this reply insightful.

A handwritten signature in blue ink, appearing to read 'Martin Callanan', with a stylized flourish at the end.

LORD CALLANAN