



Graham Stuart MP Minister of State Department for Business Energy and Industrial Strategy 1 Victoria Street, London, SW1H 0ET Sent by email

CC: Lord Callanan, Parliamentary Under Secretary of State

Date 21 September 2022

Ref Homeowner support for policies to decarbonise UK homes

Dear Graham,

I wanted to congratulate you formally on your appointment as Minister for Climate. I look forward to continuing our discussion following our recent introductory call and working with you to address the challenges of reaching Net Zero.

I am writing today to share some new analysis on homeowners' attitudes towards policies aimed at decarbonising homes and reducing household energy use.

Homes account for around 20% of UK GHG emissions, so decarbonising homes is vital to reaching Net Zero. As your department recognises, achieving this will require improving the energy efficiency of homes and rolling out low-carbon heating technologies at scale. These changes will also help to improve the UK's energy security and tackle the rising cost of living. Delivering these measures to the UK's 28 million homes is an urgent task. We recently copied you into a letter to the new Prime Minister highlighting this challenge.

In our June Progress Report we highlighted the lack of Government policies to deliver vital energy efficiency improvements to the UK's homes, particularly for owner-occupied households, which constitute 65% of the stock.

We recognise that decarbonising these homes is a difficult policy problem and carries political challenges. To better understand public attitudes, the CCC and Lancaster University collaborated on a deliberative policy design process, which brought together a representative group of homeowners to develop policies for decarbonising owner-occupied homes. We found that homeowners are willing to act, and support a range of policies which would help them reduce their home energy use – reducing emissions and saving on household costs.

This work has generated valuable evidence of the types of policies which homeowners wish to see. It demonstrates that, with the right policies and adequate information, there can be broad public backing for these policy measures. This research also demonstrates the value of deliberative processes – which involve facilitating a dialogue between citizens and policy experts – in developing solutions to difficult and complex policy problems.

We have drawn several valuable conclusions from this report:

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- People accept the need to make changes to their homes and are willing to act. But they need well-designed policies which help them to do so.
- People expect the Government to provide leadership on delivering the changes required to their homes to reach Net Zero. They want the Government to set out clear, long-term policy programmes for doing so.
- People want clear, reliable and detailed information on the changes which will be needed to their homes, in order to reach Net Zero and reduce energy bills.
- When provided with information about the options for decarbonising their homes, people show strong support for a range of solutions. Many of these solutions align with recommendations from our recent Progress Report. These include the need for:
  - A long-term strategy which provides clarity to homeowners and suppliers, and includes regulations to compel action which are clearly signposted in advance of coming into force.
  - Government action to increase public awareness and provide access to trusted energy advice.
  - Enhancements to Energy Performance Certificates so that they provide clear records of the retrofit work required and completed in every home.
  - Further policies providing incentives for homeowners to improve their homes such as stamp duty reductions or rebates, tax discounts, and property-linked loans, alongside grants to support those least able to pay.
  - Skills policies which ensure a supply of reliable, well-trained installers, and services to support people in finding trusted contractors to work on their homes.

A report on the process and its outcomes has been published today and is enclosed with this letter. We wanted to bring this work to your attention and hope it will prove useful when developing policies to deliver the changes required to the UK's homes.

Yours,

Lord Deben

Chair, Climate Change Committee