

Energy Security and Net Zero Committee

Oral evidence: [Heating our homes](#), HC 115

Wednesday 22 November 2023

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Members present: Angus Brendan MacNeil (Chair); Vicky Ford; Mark Garnier; and Lloyd Russell-Moyle.

Questions 1 to 164

Witnesses

I: David Capper, Director for Clean Heat; Selvin Brown, Director for Net Zero Buildings: Domestic; Jessica Skilbeck, Director for Net Zero Buildings: Portfolio and Affordability, Department for Energy Security and Net Zero.

II: Maya Fitchett, Policy Analyst, National Energy Action; David Robson, Director, National Insulation Association, and CEO, InstaGroup; Dhara Vyas, Deputy CEO, Energy UK.

Written evidence from witnesses:

- [Department for Energy Security and Net Zero](#)
- [National Insulation Association](#)
- [Energy UK](#)

Examination of witnesses

Witnesses: Selvin Brown, David Capper and Jessica Skilbeck.

Q1 Chair: Good morning, and welcome to the Energy Security and Net Zero Committee. This is our first session on heating our homes. We have two panels of three this morning. I will ask the first panel to introduce themselves—name, rank and serial number. Introduce yourself as you would like.

Selvin Brown: My name is Selvin Brown. I am the director for net zero buildings, domestic.

David Capper: I am David Capper. I am the director for net zero buildings, clean heat.

Jessica Skilbeck: I am Jessica Skilbeck, director for net zero buildings, portfolio and affordability.

Chair: You are all from the Department for Energy Security and Net Zero. To kick us off this morning we have our esteemed colleague, Vicky Ford.

Vicky Ford: Thank you very much for doing ladies first today. As I am the minority always on this Committee it feels like a good place to start.

Chair: I am the only the Scotsman, so I am a minority too.

Q2 Vicky Ford: There is a very serious concern that the UK is not going to achieve the measures that we need to in decarbonising homes. How do you measure the progress that has been made? How do you set the targets? How do you review the targets and make sure that both the targets and the progress are ambitious and are achieved?

Jessica Skilbeck: Thank you very much for the question. We operate as a portfolio across net zero buildings and have the strategic objectives that relate back to our carbon budgets as well as our fuel poverty obligations. You will obviously have seen in March that the Government published the carbon budget delivery plan, which set out the plans to deliver against the carbon budgets.

I would point out that we have delivered against the first three carbon budgets and are on track to deliver against carbon budget 4. The Climate Change Committee has recently increased its assessment of confidence against those. As you would expect, internally we take a range of data against measures that are helping us work towards those carbon budgets. That includes all sorts of things.

Q3 Vicky Ford: Can you be really quick and precise in your answer? You set data and then what do you do? What are the targets?

Jessica Skilbeck: We look at the carbon budget targets. We look at our progress against the fuel poverty indicators. That is through official



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statistics, supplemented with internal management data. In particular, I would highlight the progress in EPC C from 14% to 47% since 2010.

Q4 Vicky Ford: Given that we know that the expectation is that half the homes in the UK are going to have heat pumps progress and you are meant to be working to 600,000 heat pumps a year being installed, how many were installed last year? Just give me the number.

David Capper: Industry estimates of sales for last year are between 55,000 and 71,000.

Q5 Vicky Ford: How many do you estimate this year? Just give me the number.

David Capper: We do not have an estimate for this year as yet.

Q6 Vicky Ford: You are not setting a target on that.

David Capper: We have not set annual targets to date. From next year, we will bring in the clean heat market mechanism and that will set annual obligations.

Q7 Vicky Ford: What do you set a target on, if it is not on installing heat pumps?

David Capper: We consulted on the clean heat market mechanism. In that consultation, the obligation would be for 4% of boiler sales, which is about 60,000 heat pumps. That would be for the retrofit market, so it does not take into account new build, which we did not include in the consultation. For 2025, in the consultation the obligation is 6%, which is 90,000 heat pumps in that year. That would then increase to achieve the 600,000.

Q8 Vicky Ford: Is it fair to say that your targets are at a very high level but not particular granular?

David Capper: Those are quite granular targets for next year and the year after. I think that you are pointing towards the 600,000, which is the target or the ambition for 2028. That is comprised of two parts. There is the new build part, where the Government have the future homes standard, which DLUHC will shortly consult on. That is about 200,000 of the 600,000 target. The remaining 400,000 is in the retrofit market. There, the key policies are the boiler upgrade scheme, where we have recently increased the grant to £7,500—

Vicky Ford: We will come on to that in a minute.

David Capper: —and the clean heat market mechanism.

Q9 Vicky Ford: Why do you use energy efficiency ratings to determine fuel poverty?

Jessica Skilbeck: The Committee will be aware that the official measure of fuel poverty is a combination of income, heating costs and EPC as a



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proxy. We are trying to capture those households that have a low income and inefficient properties.

- Q10 **Vicky Ford:** I have heard from many organisations since coming on this Committee that the EPC needs upgrading. It has perverse incentives. It is sending people in rural homes off to use oil-fired boilers. It is not encouraging heat pumps. The Government promised to launch a consultation in early 2023 on EPCs. Where is it?

Jessica Skilbeck: We absolutely recognise the feedback that you have referred to on EPCs. We are working very closely with DLUHC. It is leading the work on the consultation.

- Q11 **Vicky Ford:** Why has it not been launched? When is it going to be launched?

Jessica Skilbeck: We do not have a firm date, but we are working very closely with DLUHC on it.

- Q12 **Vicky Ford:** Is it fair to say that we have passed early 2023, given that we are now in November?

Jessica Skilbeck: That is a fair assessment, yes.

- Q13 **Vicky Ford:** Would you like to write to us with a date?

Jessica Skilbeck: I am very happy to take that away, yes.

- Q14 **Vicky Ford:** I would suggest that that would be imperative.

Do you have any evidence to show that those living in homes rated C or above find it easier to affordably heat their homes than those living in homes that are lower energy efficiency?

Jessica Skilbeck: The EPC system is an imperfect metric, but it is the best proxy that we have for the energy efficiency of somebody's home. We work regularly with organisations like the Building Research Establishment to understand the direct correlation between EPC rating and the cost of heating somebody's home. Yes, they are broadly correlated.

- Q15 **Vicky Ford:** I will come back to this question later. Given that social rented houses are now the most energy efficient, why are we not doing more to help those who own homes, are not necessarily on benefits but are on lower incomes?

Selvin Brown: We have a number of schemes. Social housing is 70% or almost 70% EPC C, but something like 80% of people living in social housing are in fuel poverty, which is why we target them to upgrade their homes. We have the local authority delivery team.

- Q16 **Vicky Ford:** Some 70% of social rented is now in higher energy efficiency.



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Selvin Brown: That still leaves 1.2 million homes that are below EPC C where the household is in fuel poverty. That is why we committed, through the Government manifesto, to invest £3.8 billion. So far we have committed £1 billion and attracted over £1 billion of private capital investment, and we are on track to upgrade about 120,000 social homes on the back of those programmes.

We have two other programmes. The local authority LAD scheme has upgraded 55,000 homes, including homes in fuel poverty. People have to have an income of less than £30,000 in order to qualify. We have recently, in the last year or so, developed the home upgrade scheme, which is targeted on off-gas grid. About 65% of the households that are in that cohort are in fuel poverty.

Q17 **Lloyd Russell-Moyle:** Why is the EPC regime under DLUHC? Is that the right Department for it to be under, bearing in mind we are using it to drive energy efficiency at the moment and not building standards?

Jessica Skilbeck: The Committee will be aware that we use the EPC system for lots of purposes. This reliance that we have on it now for measuring fuel poverty and the targeting of our schemes is something that has evolved over time. I could just emphasise that we work really closely with DLUHC. We talk to it every day because we absolutely acknowledge that it is an integral part of the system of what we are trying to achieve.

Q18 **Lloyd Russell-Moyle:** Do you think that DLUHC and the designers of the scheme have really got their head around energy efficiency? I do not mean targeting but energy efficiency, because it seems to be failing on that, does it not?

Jessica Skilbeck: No, I absolutely think that they have. We work really closely with them, not just on EPCs but on the subregional approach to net zero generally, of which buildings retrofit is a big part.

Q19 **Lloyd Russell-Moyle:** If they have got their head around it, why are EPCs, as we have heard from Vicky and others, offering perverse advice?

Jessica Skilbeck: The EPC system is designed to do a range of things. We have talked a bit about the fuel poverty metric. That is actually a cost metric because the primary concern there is the cost for people to heat their homes. We know that we need to evolve the system so that it better aligns with what we are trying to achieve on decarbonisation.

Q20 **Lloyd Russell-Moyle:** You will write to us and Vicky with those dates.

Jessica Skilbeck: Yes, we will do.

Selvin Brown: The Government and DLUHC in particular have set out their plans for the future homes standard. The future homes standard sets a different standard for the building of new homes, which includes decarbonisation and clean heat measures. I would suggest that they are very much focused on the agenda of decarbonising homes.



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Q21 **Lloyd Russell-Moyle:** If you were a homeowner now, or a landlord who is trying to upgrade, would you not wait? Is there not a problem that your delays mean that there is an incentive for people to wait before they do measures and so this causes huge problems? You have had only 60,000 heat pumps. That lethargy starts in the Department and rolls out to the whole sector.

Selvin Brown: In the last three years since January 2020, we have installed 1.1 million measures across 550,000 homes. Since last summer, through our front door we have done 350,000 unique assessments of homes.

Q22 **Lloyd Russell-Moyle:** If you are a homeowner or a landlord and you need to make changes to your EPC rating to improve it—and we know that the EPC rating is currently broken because it will not reward you; you might find that your EPC rating goes down if you install a heat pump—why would you bother doing that, if the main motivation, particularly for social housing providers and landlords, is to get the EPC rating up? You would not take any action, would you? The rating is actually stopping people changing over at the moment. Do you recognise that?

Jessica Skilbeck: We acknowledge the complexities of the EPC rating at the moment and some of the incentives you describe. I would refer back to the PM's speech in September, where the focus was very much on incentivising property owners to take action rather than regulatory requirements at this stage.

Q23 **Lloyd Russell-Moyle:** The EPC disincentivises. You can give people all the money in the world, but if the regulatory regime says that you have to meet EPC D to rent your house out and you know that by installing a heat pump it might reduce your EPC rating, you would not do it, would you? You would actively run away from some of those measures. I am trying to come back to the point of whether there is a moment where we need to almost say, "We are suspending some of this EPC stuff until we get it right".

Selvin Brown: Some 15% of the home upgrade scheme is currently private rented landlords who come forward and, indeed, have their properties that they are letting out, often to homes in fuel poverty, upgraded. There is evidence out there that suggests that there are not barriers to people upgrading their homes as you suggest.

Q24 **Lloyd Russell-Moyle:** It is 15%. The private rented market is 20%, so by that figure you have indicated to me that there is a lag on that, because you would expect a similar proportion to the general proportion of the population.

David Capper: It is understandable that you focus on EPCs and EPC reform. It is not that well understood that the lead metric is a cost metric rather than a decarbonisation metric. That sets up the system in a certain way. It is why it leads to some of the effects that you describe.



I guess that, when you look at heat pump uptake and the challenges to that, EPCs and EPC reform are one element. It is sensible to look at how important that element is, so how many people are thinking, "I am going to get a heat pump" or "I am not going to get a heat pump. What is it going to do to my EPC?" versus "What is it going to do to the pound in my pocket? What is it going to do to what I want to do to help decarbonise my heating because that is a good choice for the planet?"

These kinds of drivers and issues to do with the consumer journey, which no doubt we will get on to, are probably greater barriers to overcome than EPC reform, but it is entirely understandable why you would put that on the table as one issue that is currently a barrier.

Q25 Chair: Moving on a little bit, since 2010 there have been 15 support schemes for domestic heat and energy efficiency. What lessons have been learned from past Government schemes to deliver low-carbon heating and energy efficiency to inform current schemes?

Selvin Brown: I took over the green homes grant scheme about three months into its being set up. As well as schemes that went before it, there are some very specific lessons, which are well documented by the NAO, PAC and others. On lessons, there are three things that we would say.

First, we need to have schemes that are simpler. That scheme and other schemes have been too complex to both administer and understand from a customer perspective.

The second thing is to engage the supply chain and stakeholders ahead of the design of schemes and certainly before deployment. The Government were not able to do that on the green homes grant and we would do that in the future.

The third thing would be to pilot. As the NAO says, we should be piloting schemes before they scale up from hundreds to billions. We have done that very successfully in the social housing decarb. We started with a £60 million demonstrator scheme, which moved on to a £180 million wave 1, with matched funding, which is about 95% on spend and well above the range minimum for homes. We have now rolled out wave 2, which is £778 million with a matched fund of £1.13 billion. We are about to do an £80 million top-up to that. That is how we would do schemes in the future.

Q26 Chair: I see what you have said there and I understand it. I see the logic. I do not want to be awkward but, in a case of probing, is there not a danger that, when you do that, it slows up the rollout of schemes? It is a sort of chicken and egg, because you do not want to have failed schemes. You can see what I am pushing towards.

Selvin Brown: In the social housing decarb we have worked through the typologies. What are the types of buildings? What kinds of measures go



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on what types of buildings? What should we not be doing? That is just as important as what we should be doing.

Q27 **Chair:** You then trim the sails, if you like. The scheme changes and evolves.

Selvin Brown: We learn lessons in real time and apply new policy from those lessons in real time in order to make this scheme more effective and efficient. It is now getting close to its optimum amount that it could perform at. It would have enough time by 2035 to complete the job, as it were, to complete the whole of social housing, for example. We can then apply that to the private rented sector.

I will just say one other thing. Those typologies, the types of buildings and the types of measures that go with them, are agnostic to sector. You can take the learning from the social housing sector and the high rise, and apply it directly to a privately-owned tower block in Mayfair.

Q28 **Chair:** Looking back—you can argue this either way—could the 15 schemes since 2010 have worked had they been designed slightly differently, or were there too many schemes that were too complex for people just to get their heads round and for industry to tool up for? Looking back on the 15 in the 13 years, what have your general takeaways been? This is for our learning, remember.

Selvin Brown: There is something about making sure the supply chain is confident that, if it invests in the skills, expands its business and works with its subcontractors, the work will be there over the long term. That is a very important learning.

There is something about how you work with not just the communities but the homeowners. Many of the homes that we have upgraded have been during the pandemic and a period of lockdown. Some of the work is intrusive and that has had to take place. We have done a much better job in the last three years in terms of knowing what we need to be doing and how to apply that going forwards. Historically, there were problems that are well known with some of the schemes, such as the green deal. That is well documented.

Q29 **Chair:** People talk about market forces, but the Government are the biggest force in the market. Certainly in that area and that market, the Government's policy is a huge force. If industry has made a move and Government veers and jumps from one thing to doing the other, it makes a lot of nervousness in industry. When you have schemes starting and stopping, or failing or whatever, it is a confidence thing.

Selvin Brown: The waves happen. If you look at the social housing decarb programme, there is a 10-year £3.8 billion commitment. We started off with a one-year SR and commitment. We then had a three-year SR and commitment.



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At the last autumn statement, the Chancellor made a £6 billion commitment to this portfolio, so we have five years of certainty now for, say, the social housing decarb programme. Obviously I cannot say what will be specifically announced, because that is a matter for the Chancellor in terms of the next wave, but we are already having conversations with the Treasury about the wave 3. Wave 3 would start in April 2025. We have funding already out with housing associations for wave 2, which concludes by March 2025.

Chair: I will pass over to my colleague, Mark Garnier, who may move on to something else or continue on this theme.

Mark Garnier: I have got into a rather bad mood, actually, by listening to some of these answers.

Vicky Ford: That is not like you.

Chair: It is not your fault, believe me.

Mark Garnier: It kind of is, actually.

Selvin Brown: I am here to serve.

Mark Garnier: Every 10 and a half months, there is a change of policy, basically—not quite, but there were 15 schemes in 13 years. You talk about the certainty of the next five years. You have read the opinion polls. I am a Conservative Member of Parliament, but let us be honest. There could be some quite interesting changes coming up.

Chair: This is not a self-help group, by the way.

Q30 **Mark Garnier:** No, this is not a self-help group. What conversations have you had with the shadow team about whether whatever is announced today is going to stay in place for five years?

Selvin Brown: We are civil servants. We do not talk to shadow teams.

Q31 **Mark Garnier:** You talk about confidence in the next five years, but we have a general election coming up.

Selvin Brown: The Cabinet Secretary and the Prime Minister will make a decision about the access talks when the time is right. Through those access talks, my Permanent Secretary will discuss with the shadow team what their plans are and how the Civil Service can support them.

Q32 **Mark Garnier:** It is the normal course of events.

Selvin Brown: We have had no discussions.

Mark Garnier: I can remember that an energy company came to see me; it was about 2011 or 2012. We had just changed the feed-in tariff stuff. All these supply chains had been building up on the basis of the Government policy. They were all tooled up and suddenly everything was ripped away from them. Nobody can run a business if you are changing



the policies every 10 and a half months.

- Q33 **Chair:** On that, how many schemes run concurrently? I have mentioned, glibly if you like, 15 schemes in 10 years, but they have not been stopping and starting every 10 and a half months. Some have been running. How many schemes are on the go at the moment, for instance?

Jessica Skilbeck: It is about six or seven.

- Q34 **Mark Garnier:** It cannot be about six or seven. You are running it.

Jessica Skilbeck: I absolutely do not negate the point that you are making about the 15 schemes. There has been consistency in some of that over a longer period of time and I particularly point out the energy company obligation, ECO, which has been the workhorse in this space over the last 10 years. You know that that does not involve direct funding from Government. It is an obligation on suppliers to carry out work.

I would also like to point out the work that we have been doing to consolidate and simplify our schemes. Also, we talk about hiding the wiring from the consumer. The name of the scheme that they are accessing does not matter to an individual. What matters is the work that they are having done to their home.

Selvin referred to it earlier, but we have put several of our schemes now behind a common front door. It depends on your household and property characteristics, and you can be referred to the scheme that is right for you. We are looking to build on that over the coming years, because we absolutely recognise the complexity of the picture and the need to simplify it for the end consumer.

- Q35 **Mark Garnier:** That is fantastic. Last year, 55% fewer installations were made through various Government support schemes compared with 2021. It was 55% fewer in a year. Discuss.

Jessica Skilbeck: The big driver for that was the move from ECO3 to ECO4, which happened in 2022. There were significant policy changes to the scheme that are now working their way through. I am sure that the Committee has seen the latest statistics. They were published at the end of August and show that we did 65,000 homes and more than 200,000 measures. The internal management data that we have is showing a strongly upward trajectory, so the market is responding to those policy changes, which were essentially about deeper retrofit for low-income homes.

- Q36 **Mark Garnier:** Given the fact that it was down 55%, has it more than doubled to bring it back to where it was before?

Jessica Skilbeck: It is on a trajectory to meet the—

Mark Garnier: Has it more than doubled?

Jessica Skilbeck: The run rate is where it needs to be to meet the model targets.



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Q37 **Mark Garnier:** You are avoiding answering the question. Come on; have a good go. Answer the question. Has it more than doubled in order to catch up?

Jessica Skilbeck: I do not know, to be honest.

Q38 **Mark Garnier:** Perhaps just drop us a line about this. It is unfathomably complicated. You have said, very politely, "As the Committee knows". It is really difficult keeping up with this stuff and we spend a lot of time following it. We have Clerks informing us about this and it is not that easy. How on earth are people going to catch up with all of this stuff in the real world out there?

David Capper: On heat pumps, which have been the focus of a lot of your questions, we had the domestic renewable heat incentive for about eight years, so that was a long-running scheme. We learned quite a lot of lessons from that and we have replaced it with the boiler upgrade scheme, which is the main consumer offer for heat pumps.

Q39 **Mark Garnier:** How do you bring in a policy that then teaches you a huge amount of lessons? You guys have been in the Civil Service for a long time. You are really good at what you do. I was a Minister and I was hugely impressed by the quality of the Civil Service. How is it possible that everybody outside in the real world is just baffled by what is coming out of your offices?

Selvin Brown: We need to simplify and engage with consumers.

Q40 **Mark Garnier:** Why was it complicated in the first place?

Selvin Brown: I did the automatic enrolment programme. Some 53% of people said that they would stay in. We got 83% of people to stay in a workplace pension. We need to understand what the things are that motivate people, as David and Jess said, through incentives to upgrade their homes. They need simpler information. We have built a one-stop shop at gov.uk. You can go there now and answer some simple questions. You do not need to apply your EPC. Some 350,000 unique households have undertaken that assessment.

Q41 **Mark Garnier:** How many households are there in the UK?

Selvin Brown: There are 26 million homes, but half of those homes are already EPC C, so we are talking about 13 million homes that we need to upgrade to EPC C, if you accept that that is the metric. We need to do more work to engage consumers and to make sure that they have a simple way of assessing, "What is my home? What do I need to do to it? What Government help can I access to help me to do that?"

Q42 **Mark Garnier:** It has taken 13 years to get there.

Selvin Brown: It depends on how quickly we can incentivise people, how much funding we can put in and how much the banks are going to also lean in. Green credit finance is a very important part of the solution here.



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David Capper: For heat pumps—we have talked about this—the boiler upgrade scheme is the main scheme. If you are in social housing, you have the social housing decarbonisation fund. If you are in fuel poverty, you have ECO that will give you additional benefits.

You are right to focus on whether this can be simpler, but equally there is whether it can be communicated more simply than it is as well. For heat pumps, that is a fairly simply explanation that you have one main scheme. If you are doing social housing, because you work with the housing associations, that is separate. If you are in fuel poverty, you have ECO because that gives you additional support. That is fairly simple.

Q43 **Mark Garnier:** Jessica, you were talking about how things have picked up. Do you have evidence that Government funding is being matched effectively with consumer demand and the ability of the industry to supply? Is it all working efficiently? Is private investment coming in as much as Government funding is coming in? Is the sector keeping up with what you expect?

Jessica Skilbeck: The particular example I was referring to was ECO, where it is not Government funding; it is suppliers delivering on their obligation. We have evidence that the supply chain is responding to the set of regulations that applies from 2022 to 2026 and is meeting the trajectory to deliver what was modelled.

On matched funding specifically, I refer back to the example Selvin gave on the social housing decarb fund, where it is more than match funded by housing associations. That is an example of what we are trying to do with leveraging in private finance, making our Government money go further.

Vicky Ford: Would you at least say that we are not doing this well? When you look at 21 countries and how many heat pumps have been installed, we are 21st out of a race of 21. We have clearly not been good enough.

As for simplicity, it is not simple. I was looking last night on behalf of a constituent who wants to get a grant for double glazing. Up until earlier this year there was a grant for double glazing. I cannot find any grants for double glazing. It is not simple, so please do not say that it is. Thank you.

Chair: That was not a question.

Q44 **Vicky Ford:** My question is why 20 other countries are outperforming the UK by miles and we are not at least saying, "Let us look at how these other countries have done it. We should learn from that and get on it".

David Capper: We recognise the statistic, which is, I think, a per capita statistic. We come from a very low base when it comes to heat pump deployment. That is just a fact. 85% of the country has gas boilers and a significant proportion above that have oil.

Q45 **Vicky Ford:** Everybody came from a low base because they were



invented only so long ago.

David Capper: They did not. For example, France is very high direct electric heating. That then puts it in a very good place to switch to heat pumps because heat pumps are three times more efficient than direct electric, so you get big consumer savings. Plus it has the nuclear, which is already paid down.

Countries have moved earlier. You can look at Norway and Sweden. Sometimes people say that heat pumps do not work in cold countries. Obviously they do, because they are the heating system of choice in Norway and Sweden.

Q46 **Chair:** In Sweden they were big 10 or 15 years ago, at least.

David Capper: Yes. Essentially, if you look at the policies that the Government are implementing, an upfront capital grant, such as the boiler upgrade scheme, is very common in other European countries. In fact, ours is right at the most generous end of that. We are similarly looking at new build and lots of countries are in a similar phase of moving to heat pumps being the standard for new build. Then we are looking to build the retrofit part of the market. We have innovated with the clean heat market mechanism, which is something that goes beyond what many European countries are doing, to try to get our numbers up. You are right. It is not easy and there is a long way to go, but, as I did in my upfront answer, I can show you that there is a path of how you could get to 600,000 in 2028.

Vicky Ford: I am not stupid, but I spent half an hour last night trying to answer the question online for my constituent of whether there is a Government grant, potentially, to help him get double glazing. It should not take half an hour for an MP to answer that question.

Mark Garnier: Did you find an answer?

Vicky Ford: No, I did not find an answer.

Chair: Point noted. I have to move this on due to time.

Q47 **Lloyd Russell-Moyle:** I am afraid that my questions are on the same theme. Is there a risk that we have scheme fatigue from people, where they feel like there are too many confusing options so they walk away and give up?

Jessica Skilbeck: Do you mean as a consumer? We are doing everything we can to ensure that that is not the outcome. As we have said, we are looking to simplify and create a single access.

Q48 **Lloyd Russell-Moyle:** Does the portal then include the three main schemes that you have just mentioned there? You are consolidating around these three schemes. One is ECO, which is paid for by consumers, not the company. We have the boiler retrofit and the other one.



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Selvin Brown: We launched the portal last summer and, as I said, 350,000 unique assessments have been made. Seven weeks ago, we connected three schemes to the front door.

Q49 **Lloyd Russell-Moyle:** What are the three schemes? Are these the three schemes that we just discussed?

Selvin Brown: The three schemes are ECO4; the great British insulation scheme, which is available to everybody in the country who is in a council tax band A to D; and the home upgrade scheme.

The social housing scheme is not connected to the front door because the decider, as it were, in that instance is the housing association. We contract directly with them, so that is not on the scheme, but those are. We would seek to add additional schemes to the front door and the boiler upgrade scheme is also on the website but not connected to the front door. They are all there electronically.

Q50 **Lloyd Russell-Moyle:** When do you think that there will be an aim to get them all connected to the front door?

Selvin Brown: We are working with the Government Digital Service and talking to Ministers about what they would like to see on the front door and how we can transition it to being a bigger one-stop shop.

Q51 **Lloyd Russell-Moyle:** Is there an aim for all of them to be on the front door eventually?

Selvin Brown: That is a decision for Ministers.

Q52 **Lloyd Russell-Moyle:** That decision has not been made yet.

Selvin Brown: It has not yet been made.

Q53 **Lloyd Russell-Moyle:** That clearly needs some push from us to make it happen. Is there a problem with some of the ECO schemes that it is in fact not a scheme for you to go along and say, "I want this"? It is a scheme for you to contract an energy company for it to make an assessment.

Different energy companies might make slightly different assessments, so people who go into it are completely bamboozled. The energy company might make an assessment around double glazing. The energy company might make an assessment around insulation on the walls, but it might not. You do not know before you enter it. Where is the motivation for the individual to think, "I want to go down here"? It is just a plethora of hundreds of different pathways.

Jessica Skilbeck: As I said earlier, ECO is our longest-standing domestic retrofit programme. Something like 9% of all homes in Great Britain have received measures from ECO or its predecessors. You are completely right that it operates as an obligation on suppliers, but the referral mechanism is proving quite successful and it is in parallel to the work



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that the suppliers do themselves to seek leads to fulfil their obligation. It is very early days. The system only went live in September.

Q54 **Lloyd Russell-Moyle:** What system, the current ECO4?

Jessica Skilbeck: No, the front door, the referral mechanism through gov.uk to ECO.

Q55 **Lloyd Russell-Moyle:** You fill in the front door.

Selvin Brown: You go to the front door. You fill in your details and an assessment. It says you are eligible and "click here" to go to your energy provider or any other energy provider you want. Within 10 days they will communicate with you and do an assessment. Then they will upgrade your home.

Q56 **Lloyd Russell-Moyle:** Could you choose to get an assessment from two energy providers to see the difference in what they are offering?

Selvin Brown: That is not currently an offer that is made.

Q57 **Lloyd Russell-Moyle:** They offer different things, do they not?

Jessica Skilbeck: No, they would not do under the obligation. There are slight differences. The great British insulation scheme provides loft, cavity and heating control measures, so it is relatively shallow retrofit to a wide group of consumers.

Q58 **Lloyd Russell-Moyle:** Cavities have been very badly implemented in lots of homes where we need to now rip it out. It has been a big disaster on all that.

Jessica Skilbeck: Under the current schemes, they would have to comply with PAS standards and be lodged with Trustmark. We have taken steps to address that from the past.

Q59 **Lloyd Russell-Moyle:** I would never advise retrofit cavity. When drafting these schemes, is there consideration about the balance of simplicity versus effectivity? Where has that balance been so far? Have you been focusing on simplicity? It sounds like all this front door stuff is coming after the horse has already bolted with the numerous different schemes.

Jessica Skilbeck: There is absolutely consideration of that balance. It is a challenge. You want to balance by property type, the income and circumstances of the household, the level of retrofit on energy efficiency and whether you are moving into clean heat. You also want to make it as accessible as possible for the consumer with limited capital funding. To date, Ministers have asked us to focus on deeper retrofit for the most vulnerable households in fuel poverty. We supplemented that last year with the great British insulation scheme, which is broader based.

Q60 **Lloyd Russell-Moyle:** There is also the local authority scheme for off-grid.

Jessica Skilbeck: Yes.



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Selvin Brown: There is a different balance, I would suggest. As Jess says, we have learned the lessons of the green homes grant and applied them. There are three simple measures you can get from GBIS. You can nominate yourself and nominate an energy company, and it will upgrade your home in that simple way, if that is what you want. Retrofitting EPC G social housing homes is a complex business. It often takes six interventions in order to move that home from a G up to a C. Many of the homes have been moved above C, to B, for example. Therefore, that is very complex and we have to understand how we can do that in a way that is least disruptive for the homeowner. That is what we have worked through, we think, on the social housing decarb scheme.

Q61 **Lloyd Russell-Moyle:** Why is it so complex in social housing but you seem to think that it is nice and easy in private housing?

Selvin Brown: In the social housing sector, those homes that are at EPCG are often in common households. When you go to the building, a high rise, you have to do all of the homes all at the same time with six measures. You may have to also address the building safety aspect of the building at the same time. I used to work at the Health and Safety Executive. You have to ensure, when you are redesigning the entire building, that you keep the compartmentalisation for safety. It is a very complex piece of work.

Jessica Skilbeck: I do not think that we were making the distinction particularly between tenures. It is just that the worst-performing properties require multiple interventions.

David Capper: On the "as simple as possible" point, a key design principle of the boiler upgrade scheme to get a heat pump was to make this as simple as possible. That was why we designed it with the supply chain. It is why we went for an installer-led model rather than a consumer-led model, so you get the repeat learning on the application process and take that burden away from the consumer. It is also why we appointed Ofgem as the delivery partner, as it has a track record in being able to process these schemes. Those are all lessons that we learned from doing green homes grant.

Q62 **Lloyd Russell-Moyle:** Do you think that the installers generally recommend these interventions, or do they just recommend the same as usual?

David Capper: Heat pump installers will, but you are right.

Q63 **Lloyd Russell-Moyle:** When your boiler is ageing and getting old, or when you are cold because it is not working very well, you go to your usual boiler, do you not? You go to the guy who does your gas check every year. Do you think that they recommend these measures, or do they just recommend the same old same old?

David Capper: There is quite a lot of evidence that they do not recommend or offer changes to consumers.



Q64 Lloyd Russell-Moyle: Is choosing an installer-based system the right approach, where we understand that most installers that consumers have relationships with will not be recommending these measures? Should we be looking at a consumer-led approach, where consumers are able to draw down the money, and go and cash it in where they wish?

David Capper: The application process is installer-led. The consumer decides that they want a heat pump and they contact an installer, but then an installer does the paperwork for them. You are right to highlight the issues in the supply chain with, essentially, gas heating engineers continuing to recommend only the gas option, rather than giving consumers alternative options.

Chair: One thing I have learned is that, if Lloyd Russell-Moyle goes into the building game, he will not be doing cavity wall insulation.

Lloyd Russell-Moyle: It is awful, a damp nightmare.

Q65 Vicky Ford: The boiler upgrade scheme failed to spend two-thirds of its budget in the first year and the money went back to Treasury. We have been told that the current ECO scheme and the great British insulation scheme are not driving uptake because they are pushing people back to talk to their energy suppliers, because they need that reaction, and that is not naturally who consumers want to deal with or used to deal with. The trust with your energy supplier is not exactly high. Some are better than others.

How do you try to make sure that financial support for retrofit is targeted and resourced? How do you make sure that the money that you have is targeted, resourced and taken up?

Jessica Skilbeck: We have talked a little bit about how our different schemes have different aims and a different emphasis on targeting or not. ECO4 is our most targeted scheme that is available across tenures. BUS is at the other end.

Q66 Vicky Ford: How is the uptake of that at the moment?

Jessica Skilbeck: Do you mean on ECO4? I talked a little bit about it earlier. From a low base in 2022 when the changes were brought in, the trajectory is now up towards what it needs to be for our modelling.

Q67 Vicky Ford: Do you get the data that you need from local authorities and energy companies?

Jessica Skilbeck: Yes, and Ofgem, as our delivery partner, and Trustmark.

Q68 Vicky Ford: Do you think that the data sharing is good and quick enough? If it is not, say, without any blame.

Jessica Skilbeck: It is a good system. We are constantly looking at whether it can be improved so that we have a comprehensive view across all the measures and all the properties that we are trying to access.



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Q69 Vicky Ford: Do the energy companies tell you how many customers they signed up last quarter and how many they have coming in the next quarter?

Jessica Skilbeck: Yes, they do. They are obliged to.

Q70 Vicky Ford: You think that the data sharing is fine. How do you review and support information provision to customers? As I have just said, my own experience last night and that of my constituent suggests that it is actually still very complicated. How do you review that information sharing?

Selvin Brown: Broadly speaking, every single scheme has an evaluation and research component. That research is published. We have recently published about half a dozen scheme assessments. We also undertake insight work with consumers to build the advice and information, and the front door, that we have been producing. I would be very clear: we have more work to do to improve the communication of what consumers need to do and what options and choices they have.

Q71 Vicky Ford: There is more work that you need to do. When are you going to do that work?

Selvin Brown: We are working on it as we speak. Rather than waiting for one big bang website, we have built it in phases. Last year, as I say, we built the assessment tool, the "MOT for your home" tool. This year, we have connected the schemes while discussing with Ministers what additional services and advice we are going to put on the website in the coming months.

Q72 Vicky Ford: A study this year by Citizens Advice found that customers are not convinced of the benefits of retrofit. There is a lack of personalised advice and high upfront costs. A survey by Which? this year found that almost half of homeowners have not explored insulation in the past five years, even though nearly 90% of them are concerned about the size of their energy bill. Another survey this year found out that, even if you gave them away for free, fewer than a quarter of people would install a heat pump. There is clearly an issue with information. Do you talk to Which? Do you talk to Citizens Advice?

Selvin Brown: Yes, I spoke to Which? two weeks ago.

Q73 Vicky Ford: How is it feeding in about changing the level of information to customers?

Selvin Brown: We have talked to Which? and others about how we can work together to get consumers the information. We have shared with it our plans on the front door on the website. We have a campaign, which maybe Jess can say more about, to help people understand how they can save money.

Q74 Vicky Ford: Do you agree with me that you need a step change in the information that is going out to consumers?



Jessica Skilbeck: We absolutely agree that we need to do more and we know that Government are a trusted source of advice on these issues. That is what we hear from customer insight. You might remember the previous Secretary of State and his energy saving tips, the campaign last winter. We are re-running a version of that this winter, tips for people to save energy in their home. We are trying to push it through from low-cost measures, such as turning down your boiler flow, draught exclusion and that sort of thing, into costed measures around insulation and heat pump installation.

Q75 **Vicky Ford:** The Centre for Ageing Better says that every local area should have a good home hub. Are you going to create those?

Selvin Brown: We have recently launched a series of pilots where we will have energy advice in local B&Qs and community centres. There are 27 pilots that have taken off around the country. That is part of the front door service. In addition to that, we have a call centre. If people cannot access the front door, they can call the call centre and be talked through what advice is available.

Q76 **Vicky Ford:** I have had another constituent who has had a terrible problem with what I can only describe as a rogue installer. How do you ensure that we have consumer confidence and how do we protect against these poor-quality retrofits?

Jessica Skilbeck: If the work is done with Government funding or in a Government scheme, it has to take place under the PAS standards. The installer has to be registered with Trustmark or MCS.

Q77 **Vicky Ford:** In this case it was Government-funded under the scheme and it was incredibly bad.

Selvin Brown: It will get fixed if it was funded under the scheme and installed under the PAS.

Q78 **Vicky Ford:** It did not get fixed.

Selvin Brown: If you provide us with the details—

Q79 **Vicky Ford:** One rogue installer can put off thousands of people.

Selvin Brown: I understand that.

Q80 **Vicky Ford:** Will you take that away?

Selvin Brown: If you provide us with the details, we will look into it and get it remediated.

Vicky Ford: Look at the letters that I have exchanged with Ministers.

Mark Garnier: On that particular point, if I may, I have been trying to work out how to deal with rogue installers, rogue builders and all this kind of stuff. The Government are absolutely resolutely against taking any measures in order to hold rogue builders to account.



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Chair: That point is noted.

Mark Garnier: Let me know how you get on.

Q81 **Lloyd Russell-Moyle:** Is there an appreciation that the bid-based funding mechanisms, such as the home upgrade grant, where local authorities have to bid, end up creating a postcode lottery?

Selvin Brown: It is fair to say that, through the domestic schemes, so that will be social housing, LAD and HUG, we have funded every local authority in the country, except for one. I have tried to get the one, which is Bury, in, and we will keep trying. On the home upgrade scheme, I think that we have 240 local authorities through waves 1 and 2 of the scheme. I accept that it is not 100% coverage.

We have changed the way in which we have done the bidding to ensure that, for example, they can broadly bid, like in an outline planning application. When they have identified the homes and have a supply chain in place, they can come back with a detailed plan. Then we fund that specifically.

Q82 **Lloyd Russell-Moyle:** Why do you not move towards a system where you have a minimum energy efficiency standard, you see where the stock is and you transfer the money to the local authorities according to the stock need?

Selvin Brown: As you know, the Government have announced their plans for devolution. We will be discussing and the Government will announce plans for the West Midlands and Greater Manchester. In SHDF wave 1, we funded Greater Manchester and a consortium of 11 housing associations in that area. We gave them £8 million. They match funded £10 million and they have done 1,000 homes.

Q83 **Lloyd Russell-Moyle:** It is still bid-based. What I am trying to get at is that bid-based works really well when you are trying to do pilots or innovate, but there comes a point, does there not, where the Department has to say, "We need this money for everywhere. Any housing stock that is below these minimums will need to be done", so every local authority will need the money. We do it in lots of other areas.

Selvin Brown: Since 2020, we have had to build up the capability of local authorities. About a third of local authorities have not been able to deliver all the homes that they said they would. Some are 20% under where they need to be.

Q84 **Lloyd Russell-Moyle:** Where are we with building up local authorities now? Are we at 50% capacity or 100% capacity?

Selvin Brown: As I say, two-thirds of local authorities bid for and get funding, and deliver 100% of the homes that they say they are going to do. We have further work to support the one-third that do not quite do that. Also, in the case that you mentioned in terms of area-based, the



Government will bring forward their plans for devolution, which definitely will not be on a bid basis.

- Q85 **Lloyd Russell-Moyle:** Devolution, to me, means that we will give it to the cities but everywhere else in England will be screwed. That is what I am hearing. I am trying to be clear on language. When you are saying that, I am hearing, "Great for the metropolitan areas. Everywhere else, get stuffed". In saying a devolution approach, do you mean an actual approach where local authorities are empowered? Traditionally, we would not have called that devolution. We would have called that transfers to local authorities.

Selvin Brown: I have said that we have learned lessons and changed policy through waves. In the social housing wave demo and wave 1, we contracted only with local authorities. In wave 2, we have moved that to contracted directly with housing associations. We have not designed or consulted on the wave 3 versions of the schemes. Who knows what Government and Ministers will decide in that context? The jury is out.

- Q86 **Lloyd Russell-Moyle:** Is there any evidence of what works best to incentivise households that can afford to retrofit to do so?

Jessica Skilbeck: We know that it is a combination of clarity of information, as we have talked about quite a lot, and access to funding, whether that is through the boiler upgrade scheme for heat pumps or also sources of private finance increasingly, such as green mortgages, in order to incentivise them to take action.

David Capper: I am glad you asked the question. In all your questions, you have not asked about the top three things that I would do to try to increase heat pump uptake. One is the rebalancing of electricity and gas prices. We currently have them distorted. People should have a greater incentive to switch to a heat pump. That is one.

- Q87 **Lloyd Russell-Moyle:** It is very difficult to do that without punishing people who are reliant on gas at the moment.

David Capper: That is exactly true and that is the reason why the Government have taken the position that they have, but the Government have said that they will set out their position in 2023-24 on rebalancing. That is one barrier.

A second barrier is around the planning regime. There is the one-metre rule that exists on heat pumps, which stops them being sited within a metre of an adjacent wall. Given that heat pumps are now as quiet as a fridge and it was done because they used to be noisier, that is another thing that the Government have said they will look at in order to remove unnecessary regulation that is stopping heat pumps going in.

Thirdly, the distribution network operators all have different approaches on what they do with your fuse size. Sometimes they upgrade your fuse size for free and sometimes they do not. They all, at the moment, come



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out and check on the fuse size. There has been an innovation project to stop that and to allow the installer to check the fuse size. Again, that is a thing that would really simplify the consumer journey to get a heat pump. If you were looking at things that could accelerate heat pump uptake, these are three areas that you may wish to consider.

Q88 Lloyd Russell-Moyle: At least two of those areas are in your Department's responsibility. What is the timescale for the two that are in your departmental responsibility?

David Capper: On the rebalancing, I have said that the Government have said that they will set out their position in 2023-24. We made that commitment in *Powering up Britain* back in March.

Q89 Lloyd Russell-Moyle: It will be 2024.

David Capper: It will be in the financial year 2023-24, which is likely to mean 2024 now, correct. We are working with the Energy Networks Association and the DNOs to try to simplify that landscape. We would very much like them to move to a more consistent approach than the one that they have at the moment. We are talking to Ofgem about that as well.

Q90 Lloyd Russell-Moyle: You say, "We would very much like". Are you going to require Ofgem to make some changes there?

David Capper: I am identifying a barrier. It would be very helpful if that was overcome. We are working with Ofgem and the DNOs to try to achieve that.

Chair: Thank you very much. I particularly acknowledge your role as civil servants and the sticky wicket it must be to come to a Committee and explain things, especially when the Ministers who commissioned this are probably long gone and have been reshuffled who knows where. Years later, you are coming back and answering questions on 15 schemes over 13 years. It is appreciated because we are doing this inquiry on heating our homes and your insights are particularly valuable. Thank you all very much and I hope you enjoyed at least some of it.

David Capper: Yes, at least some of it.

Selvin Brown: It is always a pleasure. Thank you so much.

Examination of witnesses

Witnesses: Dhara Vyas, Maya Fitchett and David Robson.

Q91 Chair: Welcome to the second panel this morning of the Energy Security and Net Zero Committee in our inquiry on heating our homes. Panel, as ever, I just let people introduce themselves as they see fit, usually starting from my left. Why change a habit of many weeks, months and years?



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Maya Fitchett: Hi, everyone. I am Maya Fitchett. I am a policy analyst at National Energy Action and I lead on our work on a fair and affordable transition to net zero.

David Robson: I am David Robson. I am here representing the National Insulation Association, but I am also chief executive of an insulation company called InstaGroup.

Dhara Vyas: I am Dhara Vyas, deputy chief executive at Energy UK.

Q92 **Chair:** Dhara, can you give us your assessment of progress towards decarbonising the UK housing stock and ensuring that consumers can afford to heat their homes, which goes to the very heart of what our inquiry is about at the moment?

Dhara Vyas: In the previous session, you really drew out the number of schemes that we have had in the last 13 years. The impact of the move to “cut the green crap” has had a long tail. It has added £9.8 billion to bills and resulted in 98% fewer energy efficiency measures being installed, based on the trajectory that we were on in 2010; I am very happy to send you more information on that, if you would like. I am thinking of the schemes that were in place then. I am so sorry; I am having a mind blank, but there were a couple of schemes that were very effective in the early 2000s up to 2010.

David Robson: ECO and CERT.

Dhara Vyas: Thank you. CERT and CESP. It has had a long tail. We have had a lot of chopping and changing. It is heartening for us on the industry side to hear from Government officials talking about the success of ECO, because it has delivered in a context of quite a lot of political change.

Q93 **Chair:** When you say “a lot of chopping and changing”, is there a political pressure for Governments to come out with something new and shiny, so a new scheme gets announced and gets headlines, and then the interest goes and the scheme just melts away?

Dhara Vyas: Yes. The politics of it is quite live. It is billpayers’ and taxpayers’ money a lot of the time.

Q94 **Chair:** There is a real need and it affects people day to day.

Dhara Vyas: There is a need. It affects people day to day. From my perspective, having been working on the industry side for a couple of years and, before that, on the consumer side, your inquiry is already beginning to draw out some of the key themes. Let me just expand a little bit on that.

We have had a mess of schemes. You have talked about it a bit. I am sure that you are going to question us more on it. It leads to a lot of uncertainty for customers in terms of how they engage through it. The reality is that ECO has continued to deliver, despite that broader change



in context, primarily because it is delivered via suppliers. There is a strange position there and you are right that people probably do question this. "You are billing me. Surely, you want me to use more. Why would you want to come and put in a measure that is going to help me to save money?"

The ECO obligation has worked well and could be more effective. There are certain things about it that should change. The search cost is really high and should not be. When you do find the right household that you could apply some really effective measures to in order to change their lives and lifestyles, and make them safer and more comfortable in their homes, you are sometimes constrained by some of the rules and criteria within the scheme. We could make the eligibility criteria and targets more fluid and flexible, but that should not come at a cost in terms of transparency and accountability, and that is never our intention in suggesting it. What we are trying to say is, "This is the scheme that keeps delivering. How can we make it better?"

More broadly, some of the themes around information, protection and support, the multiplicity of schemes in this space, the inconsistent complaint handling process and the ombudsman route could really be looked at as well.

Q95 Chair: That is useful. Maya, is the UK on track to meet its statutory fuel poverty targets? What is your assessment of how accurately fuel poverty is defined and measured?

Maya Fitchett: I would start off by saying that, on the current trajectory, we are not on track to meet targets. It is not impossible, and we absolutely could be with the right decision-making in place, and additional funding would be central to that. There are certainly credible routes to do so.

Q96 Chair: If I made you Prime Minister or Energy Minister tomorrow, not that I have this power, is there anything in particular that jumps out?

Maya Fitchett: There are three main points in terms of meeting those fuel poverty targets. We need to revise our fuel poverty strategy, which I know is coming next year, in the context of an energy crisis and of high prices that are likely to persist until the end of the decade.

We also need to increase funding for each of the constituent schemes that we will be adding towards our fuel poverty target. It is really essential that we see a great level of ambition within a lot of those schemes, including ECO. We also need, in combination with the funding, that regulatory backstop, which is going to be essential to leverage private finance into fuel poverty efforts.

Q97 Chair: Do you have any assessment of or view on how accurately it is defined and measured?



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Maya Fitchett: It is difficult to get an aggregate picture of fuel poverty currently, because we have such different measures across the UK nations. It would certainly be beneficial to have a fuel poverty measure that represents the scale of fuel poverty across the UK as a whole.

Q98 **Chair:** David Robson, the Government have set ambitious targets for the decarbonisation of heat, including installing 600,000 heat pumps per year by 2028. Is the UK's housing stock adequately insulated to support the transition to low-carbon heating?

David Robson: The simple answer, as you heard earlier, is no, which is a real frustration, because the industry and the supply chain, certainly from an insulation point of view, are desperate to do what they can to play their role in helping that transition.

Q99 **Chair:** Can I tease something out there? If you have a house with whatever insulation is in it, and it is running off an oil or gas boiler, and if you then put in a heat pump, there are two forms of heating. Why would you not have that insulation in for the previous system anyway? Why do you need the insulation to be extra for the heat pump? You have bigger radiators, underfloor heating or whatever.

David Robson: On the insulation side, you would want to have an insulated home, whatever the heating source. The reality is that, where we have had fossil fuel heating, whether it is an oil boiler or whatever, it operates at a higher temperature. As a country, we have accepted waste.

Q100 **Chair:** You can accept inefficiency when you are running at a higher temperature. The rate of energy going in is higher, so the rate of energy going out is then acceptable, if you like.

David Robson: Yes, it has been. It should not be that way, but we have almost become lazy as a country in accepting that. That is starting to change, regardless of what the heating type is.

Q101 **Chair:** So the approach to insulation generally should change. What do you make of the target of 600,000 heat pumps being installed?

David Robson: I do not know enough. I am not an expert on heat pumps. It is clearly an ambitious target, based on the numbers that we are currently operating at.

One of the things that I would point out is that we have a track record of doing large-scale retrofit. The point that Dhara made about learning lessons from the schemes that happened before 2010 is really important, because there were an awful lot of really good energy efficiency improvements and you had a resourced supply chain that was delivering at scale. You had engaged consumers. Most of that was done through energy company schemes that delivered and worked, and consumers were engaged. There is no reason why that model could not be used again in the future for both energy efficiency and heat pumps.

Q102 **Chair:** Just to pin down the question, although I may have interrupted



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you before you got to answer it, is the UK's housing stock adequately insulated to support the transition, in your view, to low-carbon heating?

David Robson: It is not at the moment, but it could be. The fact that we install 1.3 million boilers a year, or whatever it is, suggests that there is definitely the opportunity to develop a supply chain for heat pumps that could deliver that. Consumers are used to that kind of intervention in their homes, given that boilers are generally changed every 10 to 15 years, and so there is no reason why it could not be done.

Chair: I live in a very rural area and have a heat pump. It is a new build from about 10 or 15 years ago. If you wanted to intervene in the insulation of the home, I assume that the heat pump would remain the same, and that you would just put in a bigger system in the same volume of space that you would need with an insulated home.

David Robson: Sorry, say that again.

Q103 **Chair:** To maintain the same sort of heating in a home that was not insulated, you would then have to overdesign the heat pump system. You could get around the non-insulation, but there would be the cost of a bigger system.

David Robson: Yes.

Q104 **Lloyd Russell-Moyle:** Just following on from that, is it not the case that we have a housing stock that was deliberately designed to overheat and to lose heat? That was how it breathed and how it prevented mould, and so the interventions are not just as simple as insulation. The best interventions are whole house interventions, which are, by their nature, hugely disruptive for people.

David Robson: I get where you are coming from a little bit. I would argue that an uninsulated house has more cold and damp problems than an insulated house. When you insulate a house, you are sealing up the envelope of a building and, therefore, you have to really understand how that building works. You can do damage, as you pointed out earlier, if you do not do it properly, which is why having a supply chain that is professionally trained, certified and checked, with robust consumer protections in place, is absolutely critical.

Q105 **Lloyd Russell-Moyle:** Have some of the scandals of the past ended up denting consumer confidence to move over?

David Robson: I do not think that they have dented consumer confidence, because they are very isolated, but they damage politicians' confidence and they damage the industry. One bad insulation install does more damage to everyone who wants to do a good job, where the vast majority of professional companies in any sector, but particularly in the insulation sector, set out to do a good job.

Q106 **Lloyd Russell-Moyle:** Maya, are the Government's support schemes to deliver low-carbon heating and energy efficiency improvements in homes



targeted accurately, resourced and promoted?

Maya Fitchett: I would say no to all three of those. Targeting is crucial in order to meet our fuel poverty targets. With ECO, we are getting there. It is aimed at fuel-poor households, but there are still routes that are missed. For example, there are opportunities for flex routes that can be better utilised in order to capture those fuel-poor homes that are falling through the gaps.

We know that £440 million was missed out on last year by homes that needed it, and so it is very much about making sure that we plug those gaps where fuel-poor households are falling through, instead of widening eligibility to capture a broader section of society.

The great British insulation scheme, or GBIS, is a crucial area where this could be done better. Only 20% of that scheme is currently aimed at low-income households. We have advocated for the whole scheme to be aimed at low-income households in order to meet the Government's statutory fuel poverty targets. The fact that there are household contributions assumed in the remaining 80% of the scheme is, effectively, locking low-income households out of that 80% of the scheme.

Q107 **Lloyd Russell-Moyle:** David, what more can be done to incentivise those who are able to pay to retrofit their own work and advise them of the best measures to take? At the moment, as we have heard, it is not clear, if people want to take action, what route they need to follow.

David Robson: One of the things that came out of the energy crisis of last winter was that there is consumer appetite there. One of the great frustrations is that it was not just consumer demand, but almost a desperation to do something. There were not enough opportunities out there for people to tap into.

It coincided with the transition between the previous ECO programmes—ECO3 and ECO4—and there was a bit of a hiatus in those schemes, which had a negative impact on the supply chain, but also created a missed opportunity. Had there been more urgency within Government to tap into that interest, we would have seen more help being given to consumers, whether that be through funding schemes or being able to pay.

Q108 **Lloyd Russell-Moyle:** Should we be making a distinction between different schemes of the kind that people can afford or not afford, or should we have a programme where all the work is done to houses and then someone at the back end works out who is funding it? At the moment, it seems that you have to fit into this or that channel, or you have to partly be motivated yourself, but that seems to be requiring individuals to be very proactive in terms of working out where they fit, rather than just saying, "We are coming along to every house that is below a certain standard, and then we will work out the payment afterwards"?



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Maya Fitchett: I would be concerned about the administration required behind a scheme that sorts that all out and then organises the costs.

Q109 **Lloyd Russell-Moyle:** Is it better that the administration is foisted on the consumer? That is what it is at the moment.

Maya Fitchett: We are missing out on certain benefits by not having demand-led schemes at the moment, where, for example, local authority suppliers do not necessarily have the information that households would have.

Q110 **Lloyd Russell-Moyle:** Why do we not just go down every street and say, "You are getting it done"? When I have tower blocks that are local authority-owned, some of them are private houses and some are local authority houses. The local authority comes along and says, "We are cladding it. For some of you, it is going to be paid through the local housing allowance. For others of you, we are going to put a charge on your house. Others of you can pay the charge off straightaway. We will do a financial assessment. You do not have a choice. It is being done".

Some complain and you get a lot of argument, but, apart from the one or two bad installations that we have had over the last 20 years, people invariably come back in the long run and say, "Fantastic, thank you for doing that"—the new windows and new insulation. With a street, we seem to take the approach that it is just going to be a bit here and a bit there. Why are we not doing that on streets when we can do it for high rises?

Chair: That is a good point.

David Robson: You have to be careful about forcing consumers to do something.

Q111 **Lloyd Russell-Moyle:** We do it on high rises and, in the end, they really love it, even though they complain at the beginning. I am using that as an example, where we get over that hurdle. Why can we not force consumers a bit more?

David Robson: When you are dealing with building fabric, you are generally giving people a choice over what kind of interventions they have done on their property. Bear in mind that, if they own them, most people's homes are their biggest investment. Understandably, they are very keen to make sure that there is no damage done to it and that it is an enhancement, not a detrimental impact.

You have to be careful, but one of the successes of a scheme like the social housing decarbonisation fund is because you have had a street-by-street approach in a localised era. It is a scheme that has grown. It was a very short-term scheme, but, as it has become more successful, it is growing and that longevity is there.

Lloyd Russell-Moyle: Dhara, you might want to answer the question, but I want to ask you something as well, so we can incorporate them



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both.

Chair: We need to be mindful of time.

- Q112 **Lloyd Russell-Moyle:** Yes, and that is why I want to move on to the question that you require me to ask. Are energy companies well placed to identify fuel-poor households and the necessary retrofit through the energy company obligation, or should there be more to help customers to decarbonise their homes?

Dhara Vyas: To your previous point, what you were describing was, in large part, the decent homes standard. More often than not, it is to do with the leaseholder being the local authority. I completely echo David's point that it is about fairness, control, cost and choice for people. We might well end up, in decades to come, being more prescriptive, but, right now, all of the research shows that people want choice and control—and, right now, they can have it—around the sorts of measures that we have in homes.

- Q113 **Lloyd Russell-Moyle:** They can have it, but we are failing to retrofit and to decarbonise.

Dhara Vyas: How prescriptive you would like to be in this space in terms of intervening in people's homes is a political choice.

- Q114 **Lloyd Russell-Moyle:** It is a political choice at the moment to not meet any of our targets, so that we give people individual choice.

Dhara Vyas: To your point specifically about targeting, a lot of money is spent on searching for and targeting ECO4 measures, and that could be made easier. More generally, suppliers are operating in an environment where more people than ever are struggling to pay their bills, and there is a lot that could be done on making data more accessible around affordability and income, and working more closely with DWP to better understand those low-income households that would really benefit from some of the measures. They are okay, but they could definitely be better.

Chair: I am just mindful of time. We have about five areas that we still want to touch on, and about another 30 minutes. With five to six minutes on each area, we should be fine, but it requires questioners and answerers to remind themselves of that point.

Vicky Ford: Let us be more precise. We have half an hour left until it is 11.55 am. Normally, we would run over, but today we have the autumn statement at 11.55 am. We have six more questions. I know that you will each have key points that you want to put in our ears, so let us be really speedy. I am sorry, but it is autumn statement day.

Chair: That is great. Well done, Vicky. Thank you.

- Q115 **Vicky Ford:** We need to manage short-term and long-term priorities and to decarbonise housing stock while ensuring that households can afford their bills this winter. What other key things do we need to do? David, you spoke about fabric first, whole house approaches. What are the



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merits of both? How do we do this while also making sure that people can afford to pay their bills?

David Robson: For me—and Selvin Brown touched on this—it is about simplifying the schemes. They are too complicated at the moment. It is also about having more money spent on installing things in people's homes.

Q116 **Vicky Ford:** Where is the money going at the moment?

David Robson: On administration. For me, a very simple thing would be to allow a maximum of 10% of the money to be spent anywhere in the whole supply chain, including Ofgem and energy companies, on administering, and 90% on delivering real, tangible work.

Q117 **Vicky Ford:** When you say “simplify the schemes”, will you write to us with key simplifications and lessons from elsewhere? We would like to take that up.

David Robson: Yes.

Q118 **Vicky Ford:** What would you like to see from the future homes standard to future-proof the housing stock and ensure that new homes are heated affordably and in line with net zero? What more should we be doing on the future homes standard?

Maya Fitchett: It is really important that we have standards in place now for the future. It is really important that we are not going back and retrofitting new housing stock. I am happy to write to you with further suggestions for the future homes standard.

Q119 **Vicky Ford:** What more should we be asking for?

Dhara Vyas: The main thing is to not scrap the future homes standard. It has taken a long time to get it. We have gone from zero carbon homes to future homes. It is part of the chopping and changing. We need to get it in place and give it some longevity.

Q120 **Vicky Ford:** Will it be putting a solar panel on every new house roof, where it is suitable and not north facing, et cetera?

Dhara Vyas: I certainly think so, although that is not current policy.

Q121 **Vicky Ford:** Should we be asking for that?

Dhara Vyas: Where it is suitable, we ought to be thinking about how we can go deeper and bigger. There is always going to be a question about how we pay for it, but, in the long term, these things do pay off.

Q122 **Chair:** What is your general view about zero carbon homes being scrapped? Should they have carried on or scrapped it?

Dhara Vyas: At the time, I did not work at Energy UK. I worked on the consumer side. My view then was, and still is, that they should have carried it on. It was a good scheme.



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David Robson: I totally agree.

Chair: I remember thinking at the time that it seemed to be a political decision, maybe, heaven forfend, driven by headlines in the *Daily Mail* or some other such publication. It was just a snap decision.

Lloyd Russell-Moyle: Like the delay with the boiler.

Chair: Have you any further questions?

Vicky Ford: Not on that one.

Chair: In the absence of Mark Garnier, Lloyd Russell-Moyle, would you be able to pick up the baton with question 13?

Q123 **Lloyd Russell-Moyle:** I have already touched on this. It is about the difference between the choice that local authorities and consumers should have in how decarbonising is delivered locally and in individual homes. Are local government and the planning system adequately resourced, staffed and informed to tailor local needs, but also to enforce standards for both new builds and retrofits?

Dhara Vyas: There are a couple of points on that. Some local areas have local area energy plans, and some do not, so there is an inconsistency. In the earlier session, you talked about a postcode lottery. There is a concern about inconsistency across the country, which spills into capacity and expertise to do this.

Q124 **Lloyd Russell-Moyle:** You would say that all local authorities should have a plan.

Dhara Vyas: They can really help to ensure that building decarbonisation is considered in that whole energy system context, because the reality is that, if you have a plan for your area and you understand, for example, the heating mix of the future, you can have a sophisticated conversation about how you make sure that you are getting that anticipatory investment in the network so that you can handle that electricity demand that you expect in your geographic area. They can be really helpful but they are inconsistent. There is also a local authority flex element to the ECO spend, which is not used to its full advantage.

Lloyd Russell-Moyle: What is that, sorry?

Dhara Vyas: There is a local authority flex angle on the ECO spend. I can send you some more information about it.

Lloyd Russell-Moyle: That would be great. I think I have already covered the rest of the question.

Chair: We are getting super-efficient now. This is very good—not just energy efficiency, but question efficiency.

Q125 **Vicky Ford:** You would probably agree that the Government's messaging is not clear enough for consumers to make well-informed decisions and that we need more clarity. Should the Government consider strengthening or introducing minimum energy efficient standards for all



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tenures?

David Robson: Yes.

Q126 **Vicky Ford:** Should they not just consider it but do it?

Maya Fitchett: From a fuel poverty perspective, it is hard to introduce those minimum energy efficiency standards for owner occupier sectors. There may be owner occupiers who live in fuel poverty. We would deem it potentially unfair to put standards on those households.

Q127 **Vicky Ford:** Why is it much more difficult for owner occupiers?

Maya Fitchett: Because the onus is on the owner occupiers, they might not have the disposable income or the funds to upgrade those properties, and that unfairly penalises a group of people for not changing behaviour when they lack the agency to do so due to financial constraints.

Q128 **Vicky Ford:** A lot of social rent houses have been upgraded to energy efficient standards, but the owner occupied seem to be going behind. Is there a gap in our policy for those who own their own homes and are maybe not on benefit but do not have the disposable income to invest now?

Maya Fitchett: There definitely is, and there should be fully funded schemes in place for all fuel-poor households to help decarbonise.

Q129 **Vicky Ford:** So we need to have a scheme to help those homes.

Maya Fitchett: Yes.

Dhara Vyas: Yes, and there are some very logical trigger points that are missing. One is green mortgages. When you remortgage, if there is an option of borrowing X amount at a lower rate in order to invest it, when people renovate their homes, that is a great time to place both an incentive and an expectation, like a carrot and stick approach. If you are going to do a renovation, it should meet X standard. It is about that sort of approach. That is the best point at which you could place an expectation on an owner occupier.

Q130 **Vicky Ford:** So not only does my new extension have to be energy efficient, but I have to look at the windows and the loft of the existing building.

Dhara Vyas: Also, how do we reward people for doing that? Owner occupiers will be looking at, "What am I getting for spending this extra money, as well as the warmth, comfort and the appeal in the way it looks?" Things like kitchen refits are a good opportunity. The last point that I will make is on stamp duty savings if you are going to invest. Those would be my top three in that space.

Q131 **Vicky Ford:** I am going to hold on to you, David, while I ask the next question. Lots of witnesses have asked for a national retrofit programme with long-term funding and policy commitments. If that happened, what



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should be its guiding principle?

David Robson: For me, it is giving the industry the confidence to grow. More importantly than that, it is putting the consumer and their interests at the heart of it.

Dhara Vyas: Any national retrofit programme should do three things: energy efficiency, of course, but also decarbonising heat and an approach to a smart home that can respond to flexible pricing and things like that. Those are the three changes that we need to make to people's homes. It is hugely disruptive if you just go and do one thing at a time, so how can we do that more holistically?

Q132 **Vicky Ford:** So energy efficient, decarbonise and flexible demand.

Dhara Vyas: Yes. You need a smart meter to do that in order to get the products, services, flexible tariffs and things like that.

Maya Fitchett: We need to see the worst first principle as the guiding one, so the lowest-income households in the least efficient homes need to be treated first. There is an economic case for this. We know that investing money in low-income households is spent within local economies.

Q133 **Vicky Ford:** You just said that there is a hole for people who are not on benefits, so probably are not the lowest income, but do not have the disposal income to invest now.

Maya Fitchett: There are fuel-poor households who are not on means tested benefits and are falling through the gaps. That is the hole that needs to be plugged before we widen eligibility to encompass more middle-income households. We know that, for public buy-in for net zero policy, people need to see the most vulnerable homes being served under net zero and energy efficiency policy. These low-income households are also most likely to occupy the least efficient homes, and so there is an issue of fairness, where these households are paying premiums of thousands of pounds per year to keep warm.

Q134 **Mark Garnier:** Just following on from that, I was looking a bit earlier at a website. I cannot find which one it was, but it was saying that, in England, you can get support if you are in council tax band A to D, but, if you are in Wales or Scotland, you can get it if you are in council tax band A to E. Is that fair?

Maya Fitchett: It does not seem fair to me, but they have poorer housing stock in Wales.

Q135 **Mark Garnier:** Why should it cover people living in big houses in Wales or Scotland? Do they live in more castles in Scotland? I am being slightly flippant.

Lloyd Russell-Moyle: They probably do.

Chair: A Scotsman's castle is his home.



Vicky Ford: Come on.

Chair: We are okay for time now. You have done well.

David Robson: I am not sure which particular website you are referring to, but I would say that, in Scotland and Wales, there tends to be better support than in England, because there are additional programmes from the Governments there.

Q136 **Mark Garnier:** My question is more about who should pay for all of this stuff, ultimately. The Climate Change Committee estimated that it is going to cost £250 billion—a quarter of a trillion pounds—between now and 2050 in order to fully decarbonise the UK housing stock. Who should pay for this ultimately?

Dhara Vyas: Right now, ECO is a policy cost on bills, and that is regressive. It would be more progressive to put it on taxpayers, but one of the benefits of ECO is that it goes via bills and is outside of that parliamentary cycle, and you have seen that it delivers. There is a balance to be met there. It would be more progressive to put it on taxation, but there would need to be some certainty around funding in the long term, because you have already heard everything that you need to on supply chain and jobs.

There is a potential to create 350,000 jobs right across the country in this space. There is a potential to make huge impacts on health by improving energy efficiency, particularly for fuel-poor households. You could stop just under 700,000 children from developing asthma by really tackling insulation and things in fuel-poor homes.

Chair: Give me that stat again.

Dhara Vyas: You could stop just under 700,000 children from developing asthma by targeting support to fuel-poor households. I will send it to you.

Mark Garnier: I completely agree with that. We can also do a huge amount by banning McDonald's and Coca-Cola, which have done a huge amount of damage to the population. You could ban cigarettes. In fact, we are banning cigarettes. We could probably put alcohol—

Vicky Ford: Come on!

Mark Garnier: It is an important point. Vicky, do you mind?

Vicky Ford: Sorry.

Mark Garnier: It is an important point. The poor taxpayer can do all sorts of things.

Chair: The taxpayer is picking up the 700,000 asthmatic cases.

Dhara Vyas: There is also the billpayer.

Q137 **Mark Garnier:** Sure, but it comes back to banning McDonald's. How can energy suppliers, charities and local authorities support and inform



consumers more effectively and better co-ordinate their efforts?

Maya Fitchett: The idea of local energy planning could be key to this in drawing in local networks and people who would have routes into communities. There is a huge piece to say on accessibility of advice and information. There could be more co-ordinated efforts to signpost that advice, for example, in touchpoints within local communities, whether that is GP surgeries or food banks.

At the moment, we see a lot of people lacking access to advice and losing out financially as a result. For example, digitally excluded households pay, on average, an extra £300 a year on their energy bills as a result of not being able to access the online-only tariffs or not having the same choice that a lot of other consumers have. There is a huge piece around advice and information there.

Q138 **Mark Garnier:** That is a very good point, but a lot of that is looking at people who are already, one way or the other, in trouble and getting advice from Citizens Advice, for example. What about the more isolated middle classes who just do not necessarily come across that? I do not get the impression that they are being given advice about how to do this.

Maya Fitchett: Some touchpoints, such as food banks, are more income-related, but others, such as GP surgeries or schools, are places attended by people across communities.

Dhara Vyas: The important thing here is to make sure that people get independent advice. You do not want a proliferation of any mis-selling, bad practice or rogue traders.

On your point about Citizens Advice, it is funded to help some of the people who need it most, but it is also the statutory energy advice provider and there is a huge potential there for it. The number is on the back of every bill. It is there to help every customer. It took over the old Energywatch role, basically. My point is that it is for that middle-class consumer, just as it is for anybody else. The information is there. There is a way in which you could use that service or fund it to give that independent advice and support, which would be very good.

One other point that is worth making is that there are at least 12 schemes active in the space around retrofit, decarbonising heat and other things in the home. It is not straightforward. What we call that customer journey is not very straightforward outside of ECO. In ECO, it is fairly straightforward. We have just introduced Trustmark, and the information is published on Ofgem's website.

Outside of ECO, I am not sure that it is as straightforward, particularly for people who are just looking for somebody. They get somebody in a white van that has 15 different stickers on it from Checkatrade or TrustATrader. How does a customer know what is credible? There is something there where you could cut some red tape, because there is a proliferation of schemes in this space.



Q139 Mark Garnier: I would refer you to my earlier point in the previous session, where, having actively tried to get the Government to do something about it, the Government are actively committed to not putting any measures in place to stop rogue traders dealing, having had two debates on this.

As a final question, we are talking about insulation, but what can we do to get people to just be more frugal and wiser with energy, such as not leaving lights on or leaving televisions on standby the whole time?

Dhara Vyas: I am going to suggest that we should be bringing smart meters into this conversation for that reason. Smart meters have always had the opportunity to really transform the way that people understand their energy use, engage with how much they are using and then better target the action that they could take to decrease how much they are using.

The demand side stuff is just huge. There is so much potential for it, but we are still living in an era when 43% of people still have an analogue meter. It is one of the last analogue things still in our homes, if you think about the amount of technology that we all have in our homes now. They could make a huge difference in, first of all, giving people accurate bills and, secondly, giving you a better understanding of what you are using, when and how, and what is using that amount.

We have now just come into the second phase of the Demand Flexibility Service run by the ESO, where you can sign up and then turn down based on price signals. Last year was the first pilot year. This year, it has expanded. It has 11 providers. I am very happy to send the Committee more information about it. It is a great example of how people, when they can and are not dependent on energy in certain ways, can afford to switch things on and off, put their washing on when it is cheaper, and things like that. It is hugely incentivising to be able to do that, knowing that you will be paying less. We can certainly send the Committee more information on that.

Mark Garnier: That would be really helpful. Given 21st century technology, there is no reason why we should not be able to do that.

Chair: I am getting a smart meter on Tuesday, so I will be better positioned to comment on them.

Lloyd Russell-Moyle: They tried to install one for me and then left.

Chair: The energy company is a bit nervous about—

Mark Garnier: You are still burning peat.

Chair: We were discussing that earlier. I am a multi-fuel guy.

Q140 Vicky Ford: What more should we be doing to enhance skills in the workforce to deliver the changes that we need?

Dhara Vyas: I know that you do not want us to be repetitive, but I would view jobs and skills as part of that conversation about supply



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chain. I have made the point that there are potentially at least 350,000 jobs up and down the country. Green skills and jobs are going to be crucial as we continue our journey to net zero. The reality is that the stopping and starting of schemes has a huge impact on investment, not just in supply chain but also in jobs and skills.

Q141 **Vicky Ford:** Are we worse than other countries in terms of skills?

Dhara Vyas: When it comes to retrofit, we are, simply because we do not have a consistent pipeline.

David Robson: I totally agree with that. The fact that we still do not have an apprenticeship scheme in place for insulation-based trades is ridiculous. We are doing something about that as an industry, but it is just taking too long. From a positive point of view, the great thing about the younger generation coming through is that they are really engaged in this industry, which is something that we probably did not have 10 or 15 years ago. There is a real opportunity, and we just need to grab hold of it.

Q142 **Vicky Ford:** So there is no apprenticeship to become an insulator.

David Robson: Not as of today.

Q143 **Vicky Ford:** Is there a trade of an insulator?

David Robson: There are some generic ones, certainly for external wall insulation, around plastering and rendering. It is being developed, but it does not exist as of today.

Q144 **Vicky Ford:** When is it going to be developed by?

David Robson: It is hopefully by September next year, in time to start the next intake of apprenticeships.

Q145 **Vicky Ford:** Young and older people are going to have to apply for that before September.

David Robson: We as a business, and a lot of people in the industry, are already engaging with schools and colleges, but the fact that there is not an accredited apprenticeship in place is the barrier to that. For us as a business, we can bring in electricians to parts of our business, but the bit about—

Q146 **Vicky Ford:** What do the Government need to do to deliver that?

David Robson: Work with the sector to help get that apprenticeship across the line quickly.

Q147 **Vicky Ford:** Be more precise. When do they need to make a decision?

David Robson: It is not really about making decisions, but about helping get through—

Q148 **Vicky Ford:** They need to urgently agree the parameters for that



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apprenticeship.

David Robson: Yes.

Q149 **Vicky Ford:** Can you make sure that we have the right wording? That is a really important thing to recommend.

David Robson: We can send you details of what we are currently doing, and that is across the industry.

Dhara Vyas: The green skills council does quite a lot of work on T-levels and things like that, and what the impact and the changes should be in that space. We can send you some stuff on that as well.

Q150 **Vicky Ford:** Is there anything else that we should be asking the Government for about workforce?

Maya Fitchett: I completely agree with both those points. We also need to see a UK-wide comprehensive skills strategy and, alongside that, a skills taskforce displaying best practice, fast tracking educational elements and pulling employers into that, and developing clear pathways for skills from education into the workplace.

Q151 **Vicky Ford:** Are we using the boot camp enough for people who are experienced builders and do not need to go through a year-long apprenticeship? They can go in on a short boot camp to learn, taking two or four weeks out of work, not a year.

David Robson: You pick up on an important point. We have almost gone too far away from focusing on competency and are focusing too much on qualifications. We need to get that balance right. We have people in our business who have worked in the industry for 40 years and are not technically qualified, although they are more qualified than anyone in the industry, because those qualifications did not exist when they started.

Q152 **Vicky Ford:** Are you suggesting short, sharp upgrades?

David Robson: Yes, getting the balance right, but focusing on whether someone is competent to do what you need them to do.

Vicky Ford: We might want some words in that when talking about skills.

Chair: The reason why we are asking these points is to develop a report and to make recommendations. Our thoughts do not help make recommendations. It is the evidence that we get from witnesses that helps make recommendations.

Q153 **Vicky Ford:** If you can get us some more clarity on those recommendations in writing, that would be very helpful.

The final question is about poor-quality retrofits and holding people to account when there is poor quality. Dhara, you have touched on this. You probably heard the Department saying earlier that that is not allowed to happen, and that they would not have had the grant if they were not



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good quality, whereas, clearly, we have seen experience that it does happen.

Dhara Vyas: With the green deal, there were a number of poor-quality installations that have taken a long time to be rectified. I am thinking of things like HELMS. To your point about jobs and skills, the energy efficiency taskforce, which was convened by the Government, was disbanded in September, before it made its final report. It was looking at jobs and skills. I am not sure what happened to all of that learning, but it is worth me sending you a note on what we understand has happened to the energy efficiency taskforce.

Q154 **Vicky Ford:** We know that it has gone, but, if we can pick up elements of the learning, that would be good.

Dhara Vyas: There is a lot of work there.

Q155 **Vicky Ford:** Do you have any specific recommendations of stronger measures that we should be asking for in terms of protecting against poor-quality retrofits?

David Robson: We need to make sure that the guarantees that consumers have are robust, so that there is a high barrier to entry, as well as consumer protection, so that, if something does go wrong, the consumer gets it put right quickly and properly.

Q156 **Vicky Ford:** The guarantee is, "We will properly come back and fit it" and, if that supplier does not come back, there is a pooled resource to which they can go to get it fixed.

David Robson: Yes.

Maya Fitchett: I completely agree with that. There is a need for those paths to redress. We manage a project called Fishwick in Preston, outside Manchester. There are about 300 homes there that were really poorly retrofitted back in 2013. A lot of those households had fungus and terrible living conditions. They were not able to access any redress for any of that work done, so we are now there and redoing that work. I completely agree that we need to have a suitable level of consumer protection, which, of course, needs to be balanced against affordability measures as well.

Q157 **Mark Garnier:** Ultimately, the only consumer protection that you have is through the courts. If you have a problem with the repair, maintenance and improvement sector, which is what this is, and you want to get it sorted, your only redress is through legal action.

David Robson: There are guarantee schemes that have an alternative dispute resolution process built into them.

Mark Garnier: They do not work. I promise you. You have all these JCT contracts.

Chair: It is evidence from the witnesses.



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Mark Garnier: Sure, but I am pushing back on you, because the problem is that you can go to court, have a massive argument with the people and win costs, and then the builder goes bust on you. Ultimately, you want a licensing scheme, where there is equal jeopardy for the deliverer of the product as well as for the consumer, so that, if the contractor fails, they lose their licence and can never work in the sector again. They would then have equal jeopardy, but, at the moment, you cannot get redress on this stuff. Ultimately, it is down to the courts, and you can still lose all your money.

Q158 **Chair:** I want to quickly touch on a couple of points that have been raised by Maya and Dhara. There was a health aspect; you mentioned mould in housing just now. We are talking about heating our homes and we are talking quite technically about the money, the insulation and all of the good work. Ultimately, people are not living in good homes. There is a health cost associated with this. We have not touched on it much. The statistic was mentioned of 700,000 children with asthma.

Maya Fitchett: We are spending £1.4 billion in the NHS as a result of cold homes in England alone. There is a huge amount of wasted resources that are going towards this, as well as, of course, a huge amount of health implications.

Q159 **Chair:** Would it be right to say that better heating of homes would lessen demand on the NHS?

Maya Fitchett: Yes, absolutely.

Dhara Vyas: It would also reduce excess deaths.

Q160 **Chair:** David Robson, you said something about the Governments in Wales and Scotland doing things.

David Robson: The ECO schemes, for example, are UK-wide, but are then generally supplemented by what is being done by the Scottish Government and the Welsh Government, which is why you generally have more favourable support schemes in place in Scotland and Wales.

Dhara Vyas: There is no single support scheme that is just English, but there are some that are Welsh or Scottish.

Q161 **Chair:** So the UK Government, which, in this space, governs England, should be adapting or learning things from Wales or Scotland.

Dhara Vyas: Households in England do not have the same opportunities or potential to receive the support that those in Wales and Scotland do.

Q162 **Chair:** At one point, you mentioned that changes that people are making to their housing should be done in one bang, if you like, rather than several things. The point that I was going to raise was that I spoke to an energy company yesterday, which told me that it did a salary sacrifice, which has been used successfully in other areas, such as bicycles. Is there a space for using that and for the employer becoming the driver of



things happening?

Dhara Vyas: I have not heard that. I like it, so I am going to try to find out more about it.

Q163 **Chair:** I should declare that the company was E.ON.

Dhara Vyas: I will speak to E.ON. There are some really interesting, good ideas coming from industry in this space. I do not think that Government can solve this problem by themselves, nor should they seek to, and I do not think that every person in every household or every business, because we should be talking also about building decarbonisation, can do it all in one go. What you would want is an element of choice, control and understanding around how and when people should do things: "These are the things that I need to do. This is what I can afford to do now, but I know what to do in the future".

Q164 **Chair:** My very final point comes from the staff, who have a lot of thoughts but remain ever patient. Should we be teaching people how to retrofit their own homes to a certain degree?

Dhara Vyas: There are some energy efficiency measures that you can do easily yourself—things like not boiling more than just the amount of water you need, making sure that you use an insulation snake, taping your doors and things. There are necessary, deeper things that you would not really want people to try to do by themselves.

David Robson: Going back to the point about where you are sealing up a home and doing energy efficiency measures, you have to be very careful about the unintended consequences. I would rely on professional companies to do it in the main.

Chair: That brings us to an end, because we are now going to not be quorate, given that Lloyd Russell-Moyle is vanishing to Prime Minister's Questions, as is allowed. He needs to go, so we are all under pressure here, and that is understood. Thank you, panel, for being here today. It is much appreciated.