



Business, Energy and Industrial Strategy Committee

House of Commons, London SW1A 0AA

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Rt Hon Kwasi Kwarteng MP
Department of Business, Energy and Industrial Strategy
1 Victoria Street
London SW1H 0ET

24 February 2021

Dear Kwasi,

RE: Green Homes Grant

The Committee is considering the Green Homes Grant scheme as part of its inquiry into the decarbonisation of heating in homes. Further to the Minister of State for Energy and Clean Growth revealing that the underspend from the £1.5bn allocated to the Green Homes Grant will not be rolled over to the next financial year, I am writing to seek clarification about the future of the scheme and its ambitions to tackle the climate emergency.

As of 8 February, the Green Homes Grant Voucher Scheme has received 71,953 applications. 22,165 vouchers have been approved and issued to customers; the value of these vouchers is £94.1 million.¹ This means that over £1bn will be scrapped from the Green Homes Grant. Ministers have speculated that the underspend is due to a lack of take-up, however, there has been a high number of applications to the scheme, the majority of which have not yet resulted in vouchers being issued. This instead indicates that the problems are with the scheme's delivery. Anecdotal evidence suggests that there have been long delays in processing applications, and in issuing payments to installers, which has hindered their ability to complete work. In addition, many residents have been unable to find local installers willing to take on the work and so they have not applied for vouchers in the first place.

Retrofitting homes is an essential step towards achieving the Government's Net Zero by 2050 target. In oral evidence to the Committee on 9 February, Ian Rippin, CEO, Microgeneration Certification Scheme, informed us that "as we are currently seeing with the green homes grant, installers need to be engaged in a policy initiative that is for the long term, so that they can invest in their businesses and their apprentices". The retrofit industry needs the confidence and the long-term certainty from government to invest in the skills and supply chain needed to deliver, at scale, a green recovery. Investor confidence in energy efficiency has already been damaged by the failure of the Green Deal, a flagship policy that aimed to retrofit energy efficiency measures to 20 million homes, but delivered measures to 14,000 homes, only 0.1% of the targeted take-up. Due to its poor

¹ PQ [151582](#) [on Green Homes Grant Scheme], 9 February 2021

performance, the Green Deal was abruptly discontinued in 2016 with no replacement announced; this lack of continuity in energy efficiency policy has taken a toll on investor confidence. The Green Homes Grant should be a starting point for building confidence.

Delivering Net Zero by 2050 is implausible if policies are to be pursued one year and abandoned in the next. Instead, achieving Net Zero by 2050 requires consistent, sustained policies. In this context, please can you confirm whether your Department intends to cancel the Green Homes Grant and, if so, what you intend to replace it with. If this is not the case, please set out how the scheme will be improved and what additional financial allocations you are requesting from the Chancellor to ensure the programme meets the scale of the challenge across the country in a timely fashion.

A handwritten signature in black ink that reads "Darren Jones". The signature is written in a cursive, flowing style with a large initial 'D' and 'J'.

DARREN JONES MP

CHAIR, BUSINESS, ENERGY AND INDUSTRIAL STRATEGY COMMITTEE