

Written evidence submitted by The Mineral Wool Insulation Manufacturers Association's (MIMA) Response

1. MIMA is a trade body providing an authoritative source of independent information and advice on non-combustible glass and stone wool insulation. We represent leading mineral wool insulation companies in the UK, promoting the benefits of mineral wool insulation and the contribution it makes to the energy efficiency of buildings and the comfort, health and safety of their occupants.
2. We are grateful for the opportunity to submit evidence to the Public Accounts Committee's Inquiry into the Green Homes Grant (GHG) Voucher scheme. MIMA's members have a strong interest in the success of current and future energy efficiency schemes and have therefore provided a summary of some of the major issues associated with the GHG scheme as well as recommendations for future energy efficiency policy and investment plans, including the Heat and Buildings Strategy and the 2021 Spending Review.
3. A key point is that consumer demand for the GHG vouchers was strong. However, poor administration of the scheme was a major cause of problems, resulting in substantial delays and ultimately an inability to upgrade enough homes within the extremely short delivery window allotted. Polling shows that two-thirds of homeowners in England (62%) were interested in the Green Homes Grant,¹ and 113,000 household applications were made – with 43,500 vouchers issued to the end of March 2021.² The significant public interest in the scheme provides optimism for the success of future schemes.

Problems associated with the Green Homes Grant

4. Key issues include:
 - a) **Insufficient set-up time** - The scheme was announced in the Summer of 2020 and went live just a few months later on 30 September 2020³, allowing only very limited consultation with industry and local authorities, resulting in overly complex and sometimes un-workable scheme rules.
 - b) **Little time to ramp-up and no long-term certainty** - The UK's retrofit industry has been burnt and capacity reduced following previous Government cuts to energy efficiency spending from 2015. Despite this, industry invested significantly to rapidly expand the number of businesses with the necessary certification to meet the scheme rules, ramping up the workforce of existing businesses and promoting the GHG scheme. A survey by the Insulation Assurance Authority found that those that did invest on average spent

¹ See [Poll shows demand for Green Homes Grant set to outstrip supply | Energy & Climate Intelligence Unit \(eciu.net\)](#)

² See [Green Homes Grant voucher release, April 2021 - GOV.UK \(www.gov.uk\)](#)

³ See [Greener homes, jobs and cheaper bills on the way as government launches biggest upgrade of nation's buildings in a generation - GOV.UK \(www.gov.uk\)](#)

£87,000 getting set up for the scheme.⁴ However, as noted in the September 2021 National Audit Office report on the GHG, “*some installers were reluctant to invest in gaining such accreditation in the expected six-month timescale of the Scheme. By 30 September 2020, there were 880 potential installers registered with TrustMark, but by 6 November 2020 only 248 of these had registered to participate in the Scheme. This meant it was difficult for some homeowners to participate in the Scheme.*”⁵

- c) **Insufficient running time** - The scheme was scheduled to run for just 6 months until 31 March 2021, seemingly as the primary objective was to provide short-term economic stimulus in the wake of the Coronavirus. The scheme was just getting going when the decision was taken to axe it on 27 March 2021. Retrofit projects need to go through an assessment, design, installation and handover stage, and many projects would struggle to complete in 6 months.
- d) **Problems with the administration of the scheme** - Key challenges included a complicated application process fraught with delays, late payments to installers, and concerns over mispricing. Delays in issuing vouchers, coupled with an almost complete stop to all non-voucher related work (as customers put off planned work to apply) meant that rather than expanding, some firms had to lay off workers.⁶ It appears that contractor ICF’s system was both overly bureaucratic and ineffective.
- e) **Industry recommendations for scheme improvements once the scheme was operational were not taken on board** – Many organisations, including MIMA, engaged with BEIS to encourage an overhaul of the scheme’s administration. However, possibly because of the way in which the contract with ICF was drawn up, no changes were forthcoming.

- 5. The Energy Efficiency Infrastructure Group (EEIG), of which MIMA is a member, published an excellent analysis of the issues associated with the GHG in May 2021; “*Learning the Lessons from the Green Homes Grant*”.⁷ We encourage the Committee to review this.

Looking ahead

- 6. Too much too soon was expected from the GHG Scheme, and while the target to retrofit 600,000 homes through the scheme was set at the correct level, the scheme should have been given longer than 6 months to deliver.
- 7. Ultimately the industry needs long-term policy and funding confidence in order to invest. Industry has now suffered significant set-backs following various stop-start Government programmes on energy efficiency, with consequences for

⁴ See [news_282_Industry-Briefing-Note-GHGVSFinal230221.pdf \(recc.org.uk\)](#)

⁵ See [Green Homes Grant Voucher Scheme - National Audit Office \(NAO\) Report](#)

⁶ See [Government plans to turn England homes green 'in chaos' with debt and job losses | Environment | The Guardian](#)

⁷ See [LEARNING LESSONS FROM THE GREEN HOMES GRANT - AN EEIG POSITION PAPER \(theeeig.co.uk\)](#)

householder energy costs, fuel poverty objectives and climate change mitigation goals. The National Infrastructure Commission recently referred to the damage caused by “*frequent, almost arbitrary changes in [government] policy... with numerous and sometimes conflicting aims*”.⁸

8. MIMA, and many other organisations are calling for the Treasury to bring forward a long-term finance plan for green home retrofits in the 2021 Spending Review, accompanied by a detailed Homes and Buildings Strategy from BEIS which sets us on course for net zero and gives industry the confidence to make major investment in the skills and supply chain capacity needed to fully decarbonise UK homes. These plans should include:
 - a) A national energy efficiency infrastructure investment worth an additional £7bn for the remainder of this Parliament, leveraging billions in private capital, made up of the following:
 - Fully support low-income households through fulfilling outstanding Conservative Manifesto commitments to the Homes Upgrade Grant (£2.35bn this Parliament and increasing the pot size next year) and Social Housing Decarbonisation Fund (£3.6bn to 2030, of which £1bn by 2025).
 - Get on track for 2030 targets and make energy efficiency upgrades affordable for all by establishing a new, streamlined grant scheme available primarily for households which miss out on existing support, but have little disposal income or savings. £3.6bn to be provided in the 2021 Spending Review, tapering support from 2025.
 - b) Pump-prime a mass market for heat pumps through expanding the Clean Heat Grant, embedding a fabric first approach to ensure necessary energy efficiency measures are installed first. Provide up to £4.76bn this Parliament, covering the full costs for low-income households and up to £6,000 to everyone else; introduced alongside additional measures to encourage take-up and create a self-sustaining mass-market this decade.
 - c) Pave the way to green finance at scale with attractive incentives that spur action and investment. This should include Green Stamp Duty and 0% VAT on renovation products and services for greener homes, designed to leverage additional private finance and support market growth for new innovative products and services.
 - d) Ensure affordable finance for energy efficient, low carbon homes is available to all through the new UK Infrastructure Bank, treating home retrofits as an infrastructure investment priority. Offer 0% loans through retail banks, with interest offset by the UK Infrastructure Bank and supported by ‘cash back’ or grants.

⁸ See [Congestion, Capacity, Carbon: Priorities for national infrastructure \(nic.org.uk\)](https://www.nic.org.uk/publications/congestion-capacity-carbon-priorities-for-national-infrastructure)

9. We invite the Committee to view the more detailed description of the “Better Buildings Investment Plan” by the EEIG, from which the above summary is drawn.⁹

September 2021

⁹ See [eeig_2021-budget-and-spending-review_0721.pdf \(theeeig.co.uk\)](#)