



Department for  
Business, Energy  
& Industrial Strategy

**Lord Callanan**  
Minister for Business, Energy and  
Corporate Responsibility

**Department for Business,  
Energy & Industrial Strategy**  
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Cllr David Rouane  
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Dear Cllr Rouane,

Thank you for your letter dated 18 October to the Department for Levelling Up, Housing and Communities, regarding the importance of retrofitting homes to tackle climate change. Your letter has been passed to the Department for Business, Energy & Industrial Strategy (BEIS) and I am responding as this matter falls under my Ministerial portfolio. Please accept my sincere apologies for this delayed response.

I would first like to reassure you that the Government remains committed to achieving its Net Zero carbon ambitions by 2050. As you allude to in your correspondence, decarbonising our country's 30 million buildings is essential if we are to end the UK's contribution to climate change.

For this reason, our journey to Net Zero buildings starts with better energy performance, improving the energy efficiency of the fabric of our buildings and the products we use in a way that will save households and business money off bills and improve the comfort and value of homes.

In our recently published Net Zero Strategy, we committed to consulting on phasing in higher minimum performance standards to ensure all homes meet EPC Band C by 2035, where cost-effective, practical and affordable; and consider an ultimate backstop date to ensure that all homes meet a net zero minimum energy performance standard before 2050, where cost effective, practical and affordable.

Meanwhile, our Heat & Buildings strategy outlined that we are supporting a thriving retrofit industry through our announcement to expand our funding commitment for both the Homes Upgrade Grant scheme and the Social Housing Decarbonisation Fund with up to £950m and £800m in additional funding respectively over 2022/23 to 2024/25. The Home Upgrade Grant will provide energy efficiency upgrades and low-carbon heating to low-income households living off the gas grid in England to tackle fuel poverty and help meet net zero. Meanwhile, the Social Housing Decarbonisation Fund

will help to improve the energy performance of social rented homes across England by upgrading a significant amount of the social housing stock currently below EPC Band C. Taking into account this additional funding, our total funding now stands at over £6.4bn across the lifetime of this Parliament.

The strategy also announced that we are introducing a new Boiler Upgrade Scheme worth £450 million, which will provide capital grants towards the cost of a heat pump.

In terms of supporting local councils, the Green Homes Grant Local Authority Delivery (LAD) Scheme has proved incredibly successful in supporting local authorities to help around 50,000 households in England with an annual income of under £30,000 to upgrade their homes through energy efficiency measures. As a result of this scheme households will also save hundreds of pounds each year on their energy bills.

The Government allocated £500 million funding to support the energy efficiency upgrades of homes of low-income households across England through the Phase 1 and 2 of the LAD scheme. We have also allocated a further £200m to a third phase of this scheme which will be delivered alongside an initial £150m of the Homes Upgrade Grant Scheme from early 2022 to March 2023.

To the end of August 2021, almost 18,000 households were identified as eligible for funding under Phase 1 of the LAD scheme, with almost 8,000 measures installed and over 6,000 households receiving at least one measure.

Meanwhile, £300 million has been allocated to over 300 Local Authorities via the regional Local Energy Hubs in LAD Phase 2

I hope that provides you with some reassurance that the Government is taking its commitments towards Net Zero seriously.

Thank you for writing express the views of your council. I trust this information will be useful.

A handwritten signature in blue ink, appearing to read 'Martin Callanan', with a long horizontal flourish extending to the right.

**Lord Callanan**