

Provision of cavity wall insulation under Government grants

Westminster Hall debate briefing

26th March 2024



Background

- Housing in the UK is amongst the [worst insulated in Western Europe](#), with the majority of homes currently rated EPC Band D or below.
- Poorly insulated housing is bad for people and for the planet. Cold homes are [linked to](#) poor physical and mental health, whilst improving the energy efficiency of domestic properties has been identified as [an important means](#) of reducing the UK's carbon emissions.
- Government is aiming for all homes to have [EPC ratings of C or higher](#) by 2035. Cavity wall insulation will be a key way of meeting this target.
- A study [by the Resolution Foundation](#) shows around 20% of UK homes have no roof insulation and 40% have walls that are rated as poor or very poor for insulation.
- The government has estimated that [8.9 million households](#) could be classed as fuel poor in 2023, unable to heat their homes to a temperature that keeps them warm and healthy.
- Energy efficiency combined with a clean power system is the only way to permanently reduce bills and increase our energy security. With less energy wasted in leaky homes, less energy needs to be produced in the first place.
- Poorly insulated properties leave consumers paying higher bills for colder homes. Upgrading [inefficient homes to EPC band C](#) would save consumers [£24 billion](#) on their energy bills by 2030.

What is the Great British Insulation Scheme?

- Government grants to install cavity wall insulation are provided through the [Great British Insulation Scheme](#), announced in March 2023 as a replacement for the ECO+ scheme. It is designed to deliver improvements to the least energy efficient homes in the UK, to both skreduce carbon emissions and tackle fuel poverty.
- Between March and December 2023, the Great British Insulation Scheme [installed](#) 4,011 measures in 3,284 households. Cavity wall insulation has been the most popular measure, accounting for 58% of installations.
- The scheme [has a goal](#) of helping 300,000 households before it closes in March 2026.
- Currently, the scheme is [significantly behind target](#). If the current pace continues, it will take 60 years for the goal of 300,000 households to be reached.
- A previous government insulation scheme, the Green Homes Grant, closed in 2021 with [three quarters of its funding](#) unspent.

How can renters be supported?

- Just over [one third of households](#) in the UK rent their homes. This means it is crucial to incentivise landlords to make energy efficiency improvements with a tax offset and long-term regulatory certainty.
- One in four [private renters live in fuel poverty](#), a higher rate than any other type of housing tenure. Tenants too have no incentive to apply for energy efficiency grants as a lack of protection means that home improvements could lead to a rent increase or even eviction.

- In September 2023, the Prime Minister [scrapped targets](#) to improve energy efficiency in the private rented sector. Previously, the government had committed to all new rented properties having an EPC rating of C or above by 2025, with all rented properties required to meet this standard by 2028.
- It is estimated this will cost renters as much as [£8bn in energy costs](#) over the next decade, and more if gas prices spike again.

Do we have the skills needed to insulate homes?

- Investment is needed in green skills to ensure enough tradespeople have the expertise to carry out work like fitting cavity wall insulation.
- In July, the government announced £8.85m of further funding for the Home Decarbonisation Skills Training competition, offering [free or low-cost courses](#) in retrofitting and installing insulation.
- PwC found [half a million jobs](#) could be supported annually if the UK is able to fully retrofit the country's existing housing stock in line with net zero commitments. They identify a challenge in persuading workers the sector is worth entering, amidst uncertain national policy and insufficient public and private finance.
- IEMA identifies the [need for more work upskilling or reskilling workers](#) so they can take on jobs like insulating homes. They suggest the creation of green apprenticeships and technical green career pathways.
- As well as insulation, decarbonising homes will require a major increase in the number of homes with heat pumps. A [vast skills gap](#) has been found here - in 2022, there were approximately 3,000 skilled heat pump engineers in the UK, even though achieving targets of 600,000 heat pump installations per year by 2028 would require 27,000 engineers.

What do voters think?

- 79% of landlords believe they should be subject to more stringent energy efficiency measures, [according to research](#) from the Social Market Foundation.
- Polling from EnergyUK and One Home, conducted by Public First, found that due to upfront costs more than [two-thirds of people](#) did nothing to improve the energy efficiency of their homes in 2023. Tenants were less likely to make improvements than homeowners.
- 60% of people in bellweather seats ahead of the next election are [more inclined to vote for](#) a party that prioritises household energy efficiency, found polling from J.L. Partners.

Suggested interventions

- How will the Minister's department get the Great British Insulation Scheme on track, to reach its target of supporting 300,000 homes by March 2026?
- How will the Minister's department ensure that private renters can improve the energy efficiency of their homes, through actions like installing cavity wall insulation?
- How will the Minister ensure that there are sufficient tradespeople with the skills needed to make homes more energy efficient?
- How will the Minister ensure that energy efficiency measures are affordable and accessible for households across the UK?