

Rt Hon Rishi Sunak MP,
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

Cc: Rt Hon Kwasi Kwarteng MP

03 July 2020

Dear Chancellor,

A street-by-street energy efficiency revolution to support economic recovery and protect the NHS

As part of the 2019 Conservative Manifesto, the Government pledged to invest £2.5 billion in the energy efficiency of UK homes through a Home Upgrade Grants (HUG) Scheme. The energy efficiency sector, climate campaigners and many learned figures across industry and academia have stated in recent weeks that home energy retrofits should form part of plans to revive the economy and stimulate green growth following the impacts of COVID-19.

We the undersigned were disappointed that refurbishing existing homes did not feature within the Prime Minister's speech in Dudley on 30th June. The Prime Minister highlighted the importance of the right environment to enable young talent to prosper, pointing out the need to refurbish dilapidated schools and FE institutions. However young people living in cold, leaky homes whose parent or guardian cannot afford basic necessities due to the cost of heating are also at a tremendous disadvantage. Similarly, the pressure on the NHS and Care System so rightly targeted through the building of new hospitals could be alleviated by reducing the number of people who live in unfit homes that make them ill.

The HUG scheme should be confirmed as part of the Economic Statement scheduled next week and a pilot version introduced ahead of the National Infrastructure Strategy. This would create much needed employment, reduce energy bills, support the Government's climate strategy and deliver far-reaching benefits right across the country.

The National Insulation Association (NIA) has published a blueprint¹ for a pilot version of the Home Upgrade Grants scheme which sets out how it could be introduced this calendar year. Although individual organisations may have preferences on scheme design we are united on the economic and societal benefits that could be achieved.

In the first year of the HUG scheme, the delivery of 10,000 deep home energy retrofits would create 500 jobs and save the NHS £63 million. Rolled out at scale, the scheme could deliver 185,000 retrofits, 8,000 jobs and a significant £1 billion saving for the NHS. This would go a long way to easing the strain on the service that has seen us through the worst of the health crisis.

¹ <https://www.nia-uk.org/media/1631/a-street-by-street-locally-led-energy-revolution.pdf>

We are ready to support the Government in making a success of the HUG scheme. We know from earlier correspondence that an army of capable organisations and individuals also exist within the wider public sector to help deliver the scheme.

As the Chief Executive of the Committee on Climate Change commented last week, noting the economic recovery potential from the refurbishment of existing homes necessary to hit our net zero ambition: *'If not now, then when?'*

We trust that this proposal will meet with a positive reception and would welcome an opportunity to meet and discuss the operation of a pilot scheme with your officials.

Yours sincerely.

Andrew Champ, Chief Executive, Solid Wall Insulation Guarantee Agency

Derek Horrocks, Chairman, National Insulation Association

Hardy Geisler, Chief Executive Officer, British Board of Agrément

Ian Calvert, Chief Executive, Association for Decentralised Energy

Jade Lewis, Chief Executive, Sustainable Energy Association

Mitch Gee, Executive Chairman, The Insulated Render and Cladding Association

Nigel Donohue, Chief Executive, Insulation Assurance Authority

Simon Storer, Chief Executive, Insulation Manufacturers Association

Tony Hardiman, Chairman, Cavity Insulation Guarantee Agency

