



HOMEOWNERS NEED "HELP TO IMPROVE" ENERGY EFFICIENCY LOANS

EMBARGOED: 00:01 Wednesday September 23rd

Homeowners should be offered low interest loans, guaranteed by the government, to pay for energy efficiency improvements to their homes, according to a radical new report from the leading independent think tank ResPublica

The innovative report called **‘After the Green Deal: Empowering people and places to improve their homes’** says **‘Help to Improve’** loans would operate in a similar way to the ‘Help to Buy’ scheme. Loans would be offered by banks and building societies but guaranteed by the government.

In the first report on energy efficiency since the government announced it was cutting Green Deal funding ResPublica says the current, failing, system **needs a complete overhaul** because it does not provide value for money or engage with local communities.

ResPublica’s report also suggests a ground breaking system for reducing the amount of stamp duty paid on homes that make energy improvements.

The report says **homeowners who make their homes more energy efficient before selling them should pay less in stamp duty (1)**.

It also calls for city regions to have a portion of the national infrastructure fund devolved so they can invest in energy efficiency schemes.

Director of ResPublica Phillip Blond said: “Consumers need help to improve the energy efficiency of their homes. This report outlines workable ways to help homeowners take control of improving the energy efficiency of their homes. It also gives details of how devolved powers can incentivise city regions to improve efficiency of homes in their local areas ensuring they are allowed to keep the money generated from energy improvements and carbon taxes.”

“A centralised, top-down approach to government infrastructure spending needs to be replaced by more devolution to City Regions,” he added.

Other recommendations include:



- 1) A **minimum energy efficiency standard for all domestic properties being sold or let**. This would gradually increase in line with carbon reduction targets set out by Committee on Climate Change carbon budgets.
- 2) Enable city regions to **retain revenues generated from Stamp Duty Land Tax**. Allowing cities to keep the stamp duty would give them greater flexibility to create their own incentives to stimulate the market and encourage positive behaviour among consumers.
- 3) **Revenues generated from carbon taxes and levies on energy bills should be retained locally**. City regions should be able to invest this money in local home energy efficiency projects.
- 4) Local Authorities should designate **‘Warm Home Zones’** to help target areas where there are few energy efficient homes and poor health outcomes. Homeowners and landlords would have to adhere to strict regulations to improve energy efficiency in these zones.

Supporting the report:

Angus MacNeil MP, Chair of the Energy and Climate Change Committee, said: "Improving the energy efficiency of our homes can help to create warm homes and reduce bills for consumers. ResPublica's report sets out an ambitious programme to replace the Green Deal and revive the UK's faltering energy efficiency market. It should receive serious consideration from across the political spectrum."

Caroline Abrahams, Age UK's charity director, said: "This report looks at some fresh and original options to encourage households to adopt energy efficiency measures, as well as overcoming the significant barriers, not least the inevitable domestic disruption the work will entail – a key issue for older people. As we approach another winter, the problem of how to keep warm without breaking the bank continues to be at the forefront of many older people's minds – swift and innovative action is needed to ensure that cold and leaky homes are fixed once and for all."

Mayor George Ferguson, Bristol City Council, Core Cities Lead for Low Carbon Energy and Resilience Portfolio, said: "We as Core Cities are committed to improving the energy efficiency of the UK's housing stock and believe that it is

essential for government to now embrace new ideas put forward by industry, exemplified by some of the policy initiatives suggested in ResPublica's report.

The Core Cities' priority is to develop sustainable and stable business models for the delivery of energy efficiency measures. This has to be based on joint working between the private and public sector: the private sector to develop innovation and investment in products, plant and skills in conjunction with the public sector managing the relationship with households. Delivery should focus on deprived hard to insulate households in fuel poverty, in order to generate additional health and social benefits using capital from the UK infra-structure fund. Recent experience has shown that the energy efficiency industry is very vulnerable when it is reliant upon grant funding and changing government initiatives. To give industry the durability it needs to invest in a way that will ultimately reduce costs, we believe that responsibility linked to minor changes in the use of land charges, together with infra-structure funding, should be devolved to capable Core Cities to set up locally relevant offers.

We welcome the thrust of the ResPublica report and look forward to ongoing discussions with government to devolve ambitious energy efficiency targets to Core Cities.”

Executive Director of the Mineral Wool Insulation Manufacturers Association

Sarah Kostense-Winterton, said: "The Government is rightly rethinking energy efficiency and Energy Secretary, Amber Rudd has called on industry to work with government to deliver a structure that provides value for money to the exchequer, tackles the priority issues of fuel poverty and carbon reduction and empowers consumers to keep their bills down. Respublica's recommendations do just that.

This year provides a clear opportunity for the Government to build a long term, stable energy efficiency policy that delivers for UK's consumers. This should start by recognising that our homes form an essential part of our national infrastructure. Investment in this infrastructure will bring real economic benefits to the UK - in both boosting UK productivity and significant job creation, as well as energy security.

It is clear from Respublica's recommendations that any successful government policy must have two vital elements - both the engagement of consumers but also enabling them to improve their homes, to keep their bills down and homes warm.

MIMA firmly supports proposals for lower stamp duty to be offered to homeowners and landlords with the more energy efficient properties . This

scheme would be revenue neutral, and would ensure that those purchasing properties have a clear indicator when looking to buy. We also agree that low interest loans for energy efficiency improvements would be beneficial with area or regional based approaches helping to warm up the homes of the fuel poor, boosting health and wellbeing and reducing health and social costs.

We urge the government to embrace the policy recommendations outlined in this report and commit to investing in delivering better homes and better lives.”

ENDS

Notes to the Editor:

References:

1. A person purchasing a property for £275,000 would currently pay £3,750 SDLT. Under our proposal, if the property has a Standard Assessment Procedure (SAP) rating of 69 (higher efficiency) compared to the agreed standard of 51 they would receive a reduction of 18% on their SDLT bill, and would therefore pay a total SDLT of £3,075.33. Conversely, if the property had a SAP rating of 33 (lower efficiency), they would receive an increase of 18% on their SDLT bill and pay £4,425 SDLT in total.
2. Report authors and supporters are available for interviews.

For further details or to get an embargoed copy of the report please call Oruj on 07866 685130 or email her on oruj@sogold.co.uk

