

BETTER BUILDINGS INVESTMENT PLAN

INVESTING IN BRITISH HOMES AND COMMUNITIES

Delivering greener homes is mission critical for achieving net zero, tackling climate change and levelling up communities across the UK. To realise the benefits of a nationwide infrastructure drive to reduce energy bills, ensure healthier homes, create jobs and drive down carbon emissions, the Energy Efficiency Infrastructure Group (EEIG) – a broad-based coalition of over 25 industry groups, NGOs, charities and businesses – proposes a [Better Buildings Investment Plan](#) to be accomplished through the 2021 Spending Review and Budget.

- 1. An energy efficiency infrastructure investment – worth an additional £7bn for the remainder of this Parliament – providing confidence to businesses and households to invest, leveraging billions in private capital**, made up of the following elements:
 - a) 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).
 - b) Get on track for 2030 targets and make energy efficiency upgrades affordable for all by establishing a new, streamlined grant scheme available for all households – with £3.6bn provided in a 3-year Spending Review, tapering support from 2025.¹
- 2. 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.
- 3. 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.
- 4. 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.

A sustained drive to boost home energy efficiency can reduce household energy expenditure by [£7.5 billion per year to 2050](#) - an average of £400 per household - and support [190,000 jobs across a range of trades to 2030](#). Investment in energy efficient homes would help remove pressures placed on the NHS by fuel poverty and cold, unhealthy homes – potentially preventing 10,000 excess winter deaths every year and saving the [NHS £1.4 to £2 billion annually](#). Few infrastructure projects can do so much for economic growth: with [£2 put back in economy for every £1 spent](#) on a national retrofit strategy. **The EEIG calls on the Treasury to support the delivery of this cohesive package to drive action, bring down costs and make the transition affordable and attractive for all.**

For more information, please contact Juliet@theeeig.co.uk or sarah@theeeig.co.uk

¹ For analysis of the Green Homes Grant scheme and key lessons on what needs to come next, see <https://www.theeeig.co.uk/news/learning-lessons-from-the-green-homes-grant-an-eeig-position-paper/>