



Net Zero All-Party Parliamentary Group

Chair Alex Sobel MP

Vice-Chairs Afzal Khan MP, Alan Whitehead MP,
Alexander Stafford MP, Angus MacNeil MP, Baroness Altmann,
Barry Gardiner MP, Charlotte Nichols MP, Duncan Baker MP,
Lord Oates MP, Paul Howell MP, Rosie Duffield MP,
Sir Bernard Jenkin MP, Sara Britcliffe MP, Virginia Crosbie MP.

Secretary Anna McMorrin MP

Treasurer Helen Hayes MP

UNLOCKING NET ZERO HOUSING

What incentives, innovation and investment do we need?

Tuesday 18th April 2023

17:15-18:45

Boothroyd Room, Portcullis House, Houses of Parliament, SW1

MINUTES

Panel:

Alex Sobel MP, Chair, Net Zero APPG

Louise Hutchins, Head of Policy and Public Affairs, UK Green Building Council

Lucian Cook, Head of UK Residential Research, Savills

Kristina Roszynski, Director of the GreenSCIES Centre of Excellence in Smart Local Energy Systems, LSBU

Diego Padilla-Philipps, Global Decarbonisation Lead for Building Structures, WSP

Mark Beirne, Managing Director, CARA-EPS

John Quinn, Group Director, Photonomi

Alex Sobel MP

- Housing is one of the hardest to decarbonise sectors, a lot of missed opportunities in this area but important to accelerate towards the future. Introduces panellists.

Louise Hutchins, UKGBC

- We need a big, significant shift to low carbon heating.
- The Future Homes Standard is nowhere near enough, even in the draft version.

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- The UKGBC is launching a project to determine the scale of funding needed from the government purse for retrofit.
- Championing the idea of an energy saving stamp duty depending on the energy performance of homes, and there is a broad alliance behind this policy innovation.
- Local authorities should be supported with more capacity to retrofit and build up supply chains locally, and the work of combined authorities in recent years demonstrates what can be done.
- There is a communication gap between the public and industry/government - where can they go for reliable information and support?
- Disappointed that the government hasn't introduced minimum energy efficiency standards for the private sector, more incentives, and support needs to be given to private landlords. There could be merit to the idea of setting it off against income tax.

Lucian Cook, Savills

- Residential CO2 emissions count for 17% of the UK total, with no shift over the past 7-8 years.
- EPC implementation would cost £330bn as an estimate. It's important to target the least energy efficient homes.
- Pioneering is being done within the new homes sector, with the vast bulk having a B rating. However, this does not make a significant difference - to have real impact, retrofit is crucial.
- In terms of the different sectors within housing, we need to have a different approach. The decent homes standard gives a strong incentive for affordable housing providers to get to zero carbon 2050, but they face issues with capital. 70% of homes in that sector could be uneconomic to retrofit.
- For the private sector, the government could put in minimum EPC implementations. The problem is the unintended consequences which are adding pressure to private landlords to exit the sector and creating an undersupply of private rented homes.

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- Provide the incentives for people to make upgrades - potentially at the point of sale or point of remortgage.
- Argues that the real problem child is the mortgage free occupier - stamp duty incentive doesn't make a difference, people are staying in their homes for retirement, creating the most difficult nut to crack.
- One thing that would make a difference would be if the value of homes was reflected in the EPC grade. The relationship between value and EPC needs to be embedded.

Kristina Roszynski, LSBU

- The Green SCIES project is a smart local energy system that is one solution for decarbonising existing homes. This is a heat network that integrates low carbon heat, power, and mobility, whilst utilising waste heat. This makes clean energy available for everyone, is affordable, and reliable. See: the New River Scheme.
- The challenge is how do we upscale and deliver these ideas? It's not about technology, which has already been proven to work, it's about people and behaviour change.
- Invest in people: upskilling in industries, need the knowledge and skills on a much bigger scale. Invest in energy literacy for the public. Recruit new people into the industry, make it seen as an exciting area to be working in.
- Incentives: Look at incentives for capturing waste heat. To unlock private finance, equalise the VAT on new build and retrofit projects. Also to restructure the planning system to make it less difficult to navigate.
- Innovation: Innovation of culture rather than just technology. The idea of sharing heat with your neighbours. How do we connect on a shared heat network and the limited resources we have? We need to encourage innovative business models and language around net zero.
- All of this needs to be done with collaboration in existing communities.

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Diego Padilla-Philipps

- It is also important to decarbonise designs at the source, which WSP has been an industry leader in.
- Reducing the carbon footprint of the materials used in the building process is crucial. Repurposing existing steel from older buildings, for example.
- How do we enable lower carbon concrete, lower carbon cement, etc? Decarbonising materials is a large part - around 50% - of the challenge that is not recognised.
- When and how much retrofit is actually beneficial vs starting new? We need to find the sweet spot comparing the benefits of light refurbishment, deep refurbishment, moderate levels of refurbishment against cost and outcome.
- We need to get common terminology for what we are trying to achieve. Establish consensus in defining the net zero standard. This will make it easier to focus on the challenges.

Mark Beirne & John Quinn, CARA-Eps & Photonomi

- Developed innovation science that captures sunlight to make heat.
- Testing a pilot in the North East, transforming a G rated social housing property to take it to Net Zero whilst reducing fuel bills and using less wall insulation.
- Seeing strong movement in the market, with the photo arena having the potential to be a disruptor.
- Recognises the challenges to scaling the market: the issue is that the rewards/incentives are not attached to the result. Incentives should be attached to the EPC target, not the solutions to the target. This would reward innovation which would deliver benefits to all stakeholders involved, giving the ultimate incentive to all NZ delivery outcomes.
- We need to make the EPC result the policy, regardless of how we get there, and attach all the incentives to that. This would also help to attract private funding.

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- Wraps up by establishing the points of consensus: everyone agrees that the EPC is the benchmark that we need. However, the EPC needs to be representative of actual energy use.
- Concerns about silver bulletism - there aren't any 'quick fixes'.
- Consensus around reimagining material usage, examining the need and levels of retrofit, EPC reform, and the need for better and real world data.

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