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Rt Hon Philip Dunne MP
Chairman, Environmental Audit Committee
House of Commons
London
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6th April, 2020

Dear Mr. Dunne,

Possible future inquiries

The Northern Housing Consortium (NHC) is a membership organisation representing 93% of local authorities, housing associations and arms-length management organisations in the North of England. We warmly welcome the Environmental Audit Committee's decision to invite input from stakeholders on your proposed future inquiries.

Two of your proposed topics are of particular interest to the NHC and our members. These are **Energy efficiency of existing Homes** and **Local authorities and net zero**. We set out our thoughts in relation to each topic below.

Energy efficiency of existing Homes

Your colleagues on the BEIS Select Committee concluded in their July 2019 report on *Energy efficiency: building towards net zero*¹ that the Government's fuel poverty targets were widely expected to be missed and that current policy was inadequate in several key areas. The Conservative manifesto committed to a programme of home upgrade grants and a social housing decarbonisation fund, but details of how these funds will be allocated and delivered have yet to emerge. If this issue were prioritised, the Committee could play a useful role in informing and scrutinising emerging policy in this area.

Key areas the Committee may want to consider under the topic are:

- The funding and delivery mechanism for energy efficiency in the social sector. This sector offers potential to work towards net zero at scale and pace (with a strong and proven track record in delivery), but faces additional competing demands on its capacity around building safety and the delivery of new homes.
- The impact of the Minimum Energy Efficiency Standards (MEES) regulations in the private rented sector, and the scope to extend these beyond the current and rather unambitious EPC E rating, taking into account limited local authority enforcement capacity.

¹ <https://publications.parliament.uk/pa/cm201719/cmselect/cmbeis/1730/1730.pdf>

- The offer for home-owners. Previous research for the NHC has identified that almost 1m owner-occupied homes in the North fail to meet the decent homes standard : the home upgrade grants programme has potential to begin to address this issue, but the Committee may also want to take a view on its adequacy given the scale of the challenge.
- The challenges of energy efficiency in hard-to-treat properties, and policy solutions which respond to geographic concentration of such properties. In this regard, we note that one in four homes in the North were built pre-1919, 85% of which have solid walls which make them far harder to insulate.
- Links between home energy efficiency, net-zero, industrial strategy and 'levelling-up': building a domestic supply chain and skills base to meet the challenge of decarbonising our existing housing stock presents a huge opportunity, and if properly managed could also deliver on the Government's pledge to spread opportunity to people and places right across the UK. This could be particularly relevant to efforts to kick-start economic activity in the aftermath of Covid-19.

Local authorities and net zero

Over 60 local and combined authorities in the North of England have now declared climate emergencies and are working towards net zero, some to much earlier horizons than the national 2050 target. This urgency justifies the Committee prioritising this Inquiry.

Furthermore, there are strong links to the potential *Energy efficiency of existing homes* Inquiry. In some parts of the North, housing accounts for 1/3 or more of districts' total carbon emissions. Achieving net-zero across a district will therefore require efforts to decarbonise the housing stock, across tenures.

Key areas the committee might want to consider under this topic are:

- The capacity of local authorities to meet net zero. Recent research for the NHC suggests that 80% of local authority spending in the North is now being routed into statutory services, with housing and planning having undergone reductions of 65% and 54% respectively since 2010/11².
- The powers and resources open to local authorities to enable transition of local housing stock to net zero, particularly those homes that are privately rented or owner-occupied.

You will be aware that in responding to a recent Westminster Hall debate you initiated on *Energy Efficiency Measures : Net Zero Buildings*, the Minister of State for Business, Energy and Clean Growth, Kwasi Kwarteng MP, commented that: *'We cannot improve the energy performance of our buildings without engaging with our friends at the Ministry of Housing, Communities and Local Government. I was struck that that Department, which has responsibility for the performance of local authorities, was barely mentioned, which led me to believe that BEIS has the sole answers to all these questions. I wish that were true, but we do have to participate and engage with colleagues across Government in Treasury and MHCLG.'* With those comments in mind, the Committee may wish to consider engaging in one – or both – of the Inquiries we have suggested you prioritise, in partnership with the HCLG or BEIS Select Committees.

We trust the comments above are useful. We look forward to submitting detailed evidence to your committee as and when these Inquiries begin.

Yours sincerely



Tracy Harrison

CHIEF EXECUTIVE

² Time to Level-Up : Local authority housing and planning capacity in the North of England, NHC 2020: <https://www.northern-consortium.org.uk/influencing/ournorth/local-authority-capacity/>