

**WRITTEN SUBMISSION BY UNISON  
JULY 2020**

**ENVIRONMENTAL AUDIT COMMITTEE ENQUIRY INTO ENERGY  
EFFICIENCY OF DOMESTIC BUILDINGS**

**Introduction**

UNISON is pleased to contribute to the Committee's consideration of this important issue. We are Britain's second largest membership organisation, after the National Trust; we have strong membership in Housing Associations and in Council housing teams, but the core of our interest in this issue is in the potential for improvements to the housing stock to have a material impact on the conditions in which our members live.

UNISON supports calls on the Government to take urgent action to improve the energy efficiency of existing homes and to sustain spending on this for a number of years. This will ensure that households live in warm and energy efficient homes, and benefit from reduced energy bills as well as improved air quality due to reduced carbon emissions from housing.

Our response outlines the issues and solutions to improving the energy efficiency of homes, which will also aid economic recovery, create jobs and alleviate fuel poverty, post-Covid-19, thereby putting the UK on track to meet net zero carbon emissions by 2050.

**Why action is needed to improve the energy efficiency of homes**

UNISON has very large numbers of members on below-average wages, many in rented accommodation, including many who rent in the private rented sector. Thousands live in homes below energy efficiency performance levels, and for many energy costs are a substantial proportion of income, leading them in some cases into fuel poverty and in others to making difficult choices between adequate comfort and other necessities.

Other submissions to your Enquiry will show both that existing policy instruments are not sufficient to enable further sufficient progress on improving energy efficiency, and that there is no path to net zero which does not involve very substantial improvements in domestic energy use, both in terms of fuel mix and energy efficiency.

We also hope that other submissions will share our view that this is the ideal economic moment for a rapid push to improve the efficiency of the housing stock, particularly in the light of the coronavirus crisis. It has never been

cheaper to borrow for public sector entities, with the Government getting gilts away at a negative nominal rate in May and it will be possible to secure excellent terms from companies already operating in this area, whose corporate sector business is likely to evaporate as companies rein in discretionary spending.

In addition, a programme of investment in this area can be a significant contributor to economic recovery, employing workers displaced in other sectors - building improvement is a sector capable of training and quickly using workers displaced elsewhere; the requirement is spread across the country, so will have immediate impact in areas hit by Covid-related slowdown; and insulation programmes in particular meet the requirement of being shovel-ready. They will also produce as an outcome lower energy bills supporting workers struggling with less or no work, and freeing income to be spent elsewhere in local economies. This really is an ideal, quickly-implementable recovery measure for the economy. We were delighted to see that case recognised in Mr Sunak's summer statement.

Energy efficiency measures are particularly attractive in the UK owing to the poor performance of our existing stock - there remains large numbers of properties where inexpensive works such as insulation and effective sealing around windows and doors can lead to significant gains. The payback is short and the returns quick and reliable.

Lastly, it is very important this is treated as investment in critical national infrastructure, which it is, in putting us on track for net zero, contributing to energy security, and national prosperity. It may lack the immediate appeal of building an enormous railway or deploying many bulldozers, but it would have substantial, wide-ranging benefits, accruing in all areas of the country, and shared very equitably, so particularly benefitting the hardest pressed.

### **Energy Security through energy efficiency**

As domestic gas production has declined, and it becomes increasingly unlikely that unconventional gas production will be a significant element of our gas production, so considerations of energy security and reducing reliance on places liable either to political convulsion or to use their supplier power to further other interests become more important. The long years where we were self-sufficient in gas with no easy way to export, which kept prices low and

disincentivised efficiency spending, are over. We're at the other end of the pipe now.

### **Policy instruments to encourage energy efficiency among landlords**

Others have the technical expertise to comment; we would just say that it is extremely helpful to have coherence and consistency, so would argue for raising requirements within existing frameworks rather than devising new policy instruments to replace them. Hence, we support the EPC framework; and propose that the Government should pursue a combination of funding assistance and regulatory requirement enabling all properties to achieve a floor standard of at least EPC Band C within 10 years. This could include the following elements:

- requirement that properties meet EPC Band C to be rentable, at the renewal of all tenancies and by a reasonable deadline for existing tenancies. Consideration of a similar requirement for properties to be saleable.
- Progressive raising to a much higher level of the landlords' cost cap for requirement to improve.
- A fund paying for required works by registered social landlords, for whom meeting the costs of works through rental increases would have unacceptable social consequences (particularly given the squeeze on lower incomes likely to follow on from coronavirus).
- Door-to-door publicly funded appraisal of all residential properties, with a report for each property setting out recommendations for action
- Government funding for improvements to owner-occupied properties for low-income households and the availability of low-interest loans for other householders.
- Increases in property taxes or sales taxes for residential properties not achieving EPC Band C within a reasonable time period.

### **Funding for energy efficiency measures**

The £9.5bn pledged by the Government in its manifesto is a great basis for progress on energy efficiency, and the 2020/1 programme announced by Mr Sunak is the ideal start. In fact, we believe it may be difficult for the sector to absorb such a level of investment in such a short time. More funding, over a longer period, is needed to achieve comprehensive improvement; and this would also support investment by businesses in technology and training, confident it would not be wasted. The withering of the domestic solar sector as FITs were withdrawn is a cautionary example. [A UNISON report on meeting the UK's energy challenges](#) in 2015 warned that an estimated £20 billion is needed for energy efficiency measures on the 4.1 million properties occupied

by low-income households. There will have been shifts in that cost base - as some properties have been improved in the interim, some costs have fallen while others have increased - but it gives an idea of the quantum.

It is important to note that this potential spend is an investment in carbon reduction, and a strongly positive boost to demand for other goods and services which are job-intensive, as energy bills would reduce. As demand for energy is evenly balanced across the country, areas with lower average incomes would benefit most. UNISON's [report](#) suggested that energy bills would reduce by some £6bn if all residential properties were brought to EPC C.

Compared to other infrastructure spending, these returns are relatively certain, payback is short, and the benefits accrue to the less well-off.

Our [report](#) sets out in detail a national domestic energy efficiency programme, which, if implemented, will improve the energy efficiency performance of homes, help alleviate fuel poverty, reduce carbon emissions from housing, and put the UK on track to meet net zero carbon emissions by 2050.

**For more information:**

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UNISON Report: Warm Homes into the Future – Meeting the UK's energy challenges: <https://www.unison.org.uk/content/uploads/2014/07/On-line-Catalogue225542.pdf>