

## **Caroline Russell**

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Rt Hon Alok Sharma MP  
Secretary of State  
Department of Business, Energy and Industrial Strategy  
1 Victoria St  
London SW1H 0ET  
(By email)

16 September 2020

Dear Secretary of State,

### **Re. Green Homes Grant and Social Housing Decarbonisation Fund**

The London Assembly Environment and Housing Committees welcome Government investment in making homes more energy efficient and were pleased to see the Green Homes Grant and Social Housing Decarbonisation Fund announced in the Chancellor's Summer Statement. The energy efficiency of homes in London is a significant problem. Many Londoners face considerable issues with damp, condensation and cold, which in turn negatively affects their health and wellbeing.

As this is such a critical issue for Londoners, the Committees are writing to you to outline some questions and key points for consideration, as information for households about the funds continue to emerge and you and your teams further develop and roll them out. We support the Government's ambition to reach net zero emissions, but this must be achieved sooner than 2050. In December 2018, the London Assembly passed a motion to declare a climate emergency, calling on the Mayor to do likewise and on the Government to provide him with the powers and funding needed to make London a carbon neutral city by 2030.<sup>1</sup> The Mayor declared a climate emergency shortly afterwards, and in early 2020, set a target

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<sup>1</sup> <https://www.london.gov.uk/press-releases/assembly/call-on-mayor-to-declare-climate-emergency>

for London to be net zero-carbon by 2030, alongside his manifesto commitment for London to be zero-carbon by 2050.

We recognise that decarbonising buildings is a key element of reaching net zero emissions. We are therefore providing this information to support you in the essential work to decarbonise buildings and ensuring that these targets are met.

### **Energy efficiency of homes in London**

The inability to heat homes properly, along with fuel poverty, is a widespread issue in London. For instance, a 2016 survey by Shelter and YouGov found that 26 per cent of private renters in London have experienced poor insulation or excess cold, and 39 per cent have experienced damp or mould in their homes.<sup>2</sup> According to data from your own department, 11.4 per cent of London households were in fuel poverty in 2018, compared to 10.3 per cent for all of England.<sup>3</sup>

In its 2019 report, *Keeping out the chill: fixing London's cold, damp and mouldy homes*, the London Assembly Environment Committee estimated that damp problems affect around six per cent of all homes in London.<sup>4</sup> Overcrowding, a particular issue in London, has been shown to increase how susceptible a home is to condensation and mould.<sup>5</sup> The Committee's report identified that Londoners' health and wellbeing are being harmed by cold, damp and mouldy homes.<sup>6</sup> The presence of damp can increase exposure to allergens, cause or aggravate respiratory conditions and sustain dust mites. Respiratory problems due to damp homes particularly affect the elderly, young people, and disabled people.<sup>7,8</sup> Research has also found that living in cold and damp homes is associated with higher levels of anxiety and depression.<sup>9</sup> Nationally, treating the health impacts of cold homes costs the NHS an estimated £1.36 billion each year.<sup>10</sup> The COVID-19 pandemic has meant that many people are now working from home, and will continue to do so for some time, including through the winter months. The need to address cold and damp homes is even more pressing if we are to avoid putting additional pressure on the NHS as it continues to respond to the pandemic.

With these figures in mind, the Environment and Housing Committees would like the following points to be considered regarding the two funds.

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[https://england.shelter.org.uk/media/press\\_releases/articles/60\\_of\\_london\\_renters\\_forced\\_to\\_live\\_with\\_unacceptable\\_conditions\\_including\\_vermin-infested\\_damp\\_or\\_dangerous\\_homes2](https://england.shelter.org.uk/media/press_releases/articles/60_of_london_renters_forced_to_live_with_unacceptable_conditions_including_vermin-infested_damp_or_dangerous_homes2)

<sup>3</sup> [www.gov.uk/government/statistics/fuel-poverty-supplementary-tables-2020](http://www.gov.uk/government/statistics/fuel-poverty-supplementary-tables-2020)

<sup>4</sup> [www.london.gov.uk/sites/default/files/keeping\\_out\\_the\\_chill\\_-\\_final.pdf](http://www.london.gov.uk/sites/default/files/keeping_out_the_chill_-_final.pdf). Under-ventilation of properties was also identified as an issue in the Environment Committee's investigation into ways to improve energy efficiency of London's building stock:

[www.london.gov.uk/sites/default/files/london\\_assembly\\_environment\\_committee\\_-\\_climate\\_emergency\\_report\\_final.pdf](http://www.london.gov.uk/sites/default/files/london_assembly_environment_committee_-_climate_emergency_report_final.pdf)

<sup>5</sup> [https://www.london.gov.uk/sites/default/files/keeping\\_out\\_the\\_chill\\_-\\_final.pdf](https://www.london.gov.uk/sites/default/files/keeping_out_the_chill_-_final.pdf)

<sup>6</sup> [www.london.gov.uk/sites/default/files/keeping\\_out\\_the\\_chill\\_-\\_final.pdf](http://www.london.gov.uk/sites/default/files/keeping_out_the_chill_-_final.pdf)

<sup>7</sup> [https://fingertips.phe.org.uk/documents/Fuel\\_poverty\\_health\\_inequalities.pdf](https://fingertips.phe.org.uk/documents/Fuel_poverty_health_inequalities.pdf)

<sup>8</sup> [www.jrf.org.uk/report/housing-and-disabled-children](http://www.jrf.org.uk/report/housing-and-disabled-children)

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[https://england.shelter.org.uk/professional\\_resources/policy\\_and\\_research/policy\\_library/policy\\_library\\_folder/people\\_living\\_in\\_bad\\_housing\\_-\\_numbers\\_and\\_health\\_impacts#:~:text=The%20key%20findings%20from%20this,tenants%20live%20in%20bad%20housing.](https://england.shelter.org.uk/professional_resources/policy_and_research/policy_library/policy_library_folder/people_living_in_bad_housing_-_numbers_and_health_impacts#:~:text=The%20key%20findings%20from%20this,tenants%20live%20in%20bad%20housing.)

<sup>10</sup> <https://www.e3g.org/news/media-room/17000-people-in-theuk-died-last-winterdue-to-cold-housing>

## Private rented sector

Around 27 per cent of London's homes are privately rented, with around one in five of these below the Decent Homes Standard, a higher proportion than in any other tenure.<sup>11</sup> In *Keeping out the Chill*, the Environment Committee estimated that six per cent of homes in the private rented sector were damp or mouldy. This compared to an estimate of one per cent for owner-occupied properties.<sup>12</sup> The Housing and Environment Committees are very concerned that issues with damp and mould are significantly more prevalent in the private rented sector than in owner-occupied homes.

Because energy bill savings would be rightly benefiting tenants rather than landlords, it is unclear from the information currently available about the schemes how the Government will ensure the Green Home Grants will be taken up in one of the most needed tenures – the private rented sector. While private landlords are eligible for the grants, incentives between tenants and landlords are often misaligned. The Committees would therefore welcome further information from the Government about how it will ensure widespread take up from private landlords, with particular emphasis on reaching the most vulnerable tenants: children, older or disabled people and people in overcrowded homes. In addition, the Committees urge the Government to consider increasing the cap for landlord contributions to energy efficiency measures above the current £3,500 (inclusive of VAT) to £5,000, to help unlock further funding for retrofit, as outlined in *Keeping out the Chill*,<sup>13</sup> and agreed in a London Assembly motion on the matter.<sup>14</sup>

## Social rented sector

The social rented sector also faces a considerable challenge in terms of cold and damp homes. The Environment Committee estimates that some eight per cent of local authority homes, and six per cent of housing association homes are damp and mouldy.<sup>15</sup> The problem is also compounded by the issue of overcrowding – 15 per cent of London's socially rented homes are overcrowded,<sup>16</sup> leaving them more susceptible to condensation and its effects.

The Committees therefore welcome a specific social housing decarbonisation fund, which will allow housing associations and local authorities to move faster towards zero carbon emissions.<sup>17</sup> However, we are seeking clarification on how many social homes will benefit from the £50 million pilot, and how and through whom the fund will be administered.

As recommended in *Keeping out the Chill*, reaching the most vulnerable residents living in cold and damp homes should be integral to Government's net zero strategy. This should

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<sup>11</sup> [https://www.london.gov.uk/sites/default/files/housing\\_in\\_london\\_2019.pdf](https://www.london.gov.uk/sites/default/files/housing_in_london_2019.pdf)

<sup>12</sup> [https://www.london.gov.uk/sites/default/files/keeping\\_out\\_the\\_chill\\_-\\_final.pdf](https://www.london.gov.uk/sites/default/files/keeping_out_the_chill_-_final.pdf)

<sup>13</sup> [https://www.london.gov.uk/sites/default/files/keeping\\_out\\_the\\_chill\\_-\\_final.pdf](https://www.london.gov.uk/sites/default/files/keeping_out_the_chill_-_final.pdf)

<sup>14</sup> <https://www.london.gov.uk/press-releases/assembly/assembly-calls-for-5000-cost-cap>

<sup>15</sup> [https://www.london.gov.uk/sites/default/files/keeping\\_out\\_the\\_chill\\_-\\_final.pdf](https://www.london.gov.uk/sites/default/files/keeping_out_the_chill_-_final.pdf)

<sup>16</sup> [https://www.london.gov.uk/sites/default/files/housing\\_in\\_london\\_2019.pdf](https://www.london.gov.uk/sites/default/files/housing_in_london_2019.pdf)

<sup>17</sup> David Kurten AM of the Brexit Alliance Group does not agree with the viability of pursuing net zero carbon dioxide emissions in housing, or state subsidies for decarbonisation.

include steps for bringing together community groups, advice agencies such as Citizens Advice, and energy companies to provide energy saving advice to fuel-poor households.

### **Proposed efficiency measures**

The Government has confirmed that the Green Homes Grant covers measures such as insulation, heat pumps, solar thermal, double or triple glazing when replacing single, energy efficient doors, and hot water tank/appliance tank thermostats/heating controls. The Committees would welcome further detail about how the scheme will be encouraged in those areas with high proportions of flats or houses in multiple occupation, as is the case in much of London, where installation of measures such as solar or heat pumps can be a particular challenge.

The Environment Committee's investigation into cold and damp homes found that ventilation is key to successful energy efficiency. Moisture in the air needs to have a way out of buildings, meaning that energy efficiency measures can lead to condensation if they are installed badly or without enough additional, continuous ventilation.<sup>18</sup> This is a particular problem during the cold months, when windows are closed, and in overcrowded homes, where the ventilation is not sufficient to remove enough moisture from the air. We are therefore pleased to see that the Green Homes Grant can be used to fit ventilation measures. We would welcome confirmation that similar measures will be enabled by the Social Housing Decarbonisation Fund.

### **Looking to the future**

The Committees are pleased to see that the first steps for the pilot will begin soon, and indications that the £50 million is just the initial investment of a wider £3.8 billion Social Housing Decarbonisation Fund.<sup>19</sup> We would highlight that the Institute for Public Policy Research estimates that £15 billion will be required each year to reduce all emissions from buildings (domestic and non-domestic) by 2050, so the Government should increase the size of the fund in order to reach its deadline.<sup>20</sup>

We further recommend that you consider findings from the Mayor's Retrofit Accelerator for Homes programme when shaping the future Social Housing Decarbonisation Fund.<sup>21</sup>

Finally, on a broader point, the Committees are very concerned that many of the issues faced by Londoners living in cold, damp, energy inefficient homes are often compounded by overcrowding. Urgent action is needed to tackle existing problems with cold, damp and mould in overcrowded homes. Alongside this, the need for more family sized homes in London is vital, particularly in the social rented sector. The Assembly has repeatedly raised concerns with the Mayor about this. We urge Government to bear this in mind, and also

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<sup>18</sup> [https://www.london.gov.uk/sites/default/files/keeping\\_out\\_the\\_chill\\_-\\_final.pdf](https://www.london.gov.uk/sites/default/files/keeping_out_the_chill_-_final.pdf)

<sup>19</sup> <https://www.gov.uk/government/publications/social-housing-decarbonisation-fund-demonstrator/social-housing-decarbonisation-fund-demonstrator-programme-overview#timeline>

<sup>20</sup> [www.ippr.org/files/2020-07/all-hands-to-the-pump-july20.pdf](http://www.ippr.org/files/2020-07/all-hands-to-the-pump-july20.pdf)

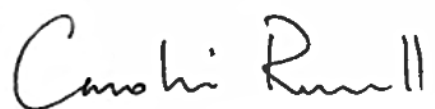
<sup>21</sup> [www.london.gov.uk/press-releases/mayoral/mayor-introduces-programme-to-update-london-homes](https://www.london.gov.uk/press-releases/mayoral/mayor-introduces-programme-to-update-london-homes)

**LONDON**ASSEMBLY  
Environment and Housing Committees

consider maximising the energy efficiency of new affordable homes, as it develops the terms of the next Affordable Homes Programme.

The Committees would welcome a response by 15 October 2020. Please address your response to Haley Bowcock, Senior Policy Adviser, at [haley.bowcock@london.gov.uk](mailto:haley.bowcock@london.gov.uk).

Yours sincerely,



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Chair of the Environment Committee



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