



Department for Levelling Up,  
Housing & Communities

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Dear Sian,

Thank you for your letter of 6 October to the Rt Hon Michael Gove MP regarding ensuring housing needs are met in London. I have been asked to reply as this matter falls within my ministerial responsibilities. Please accept my apologies for the delay in this response.

I appreciate you writing to share the London Assembly Housing Committee's recommendations to the Government on retrofitting London's homes.

I agree that retrofitting existing homes to improve their energy performance is vital to keeping us on our path to net zero. This will also reduce energy bills for households and make our homes healthier and more comfortable. The Government recently published its Heat and Buildings Strategy, which sets out the measures we will take to improve the energy efficiency of buildings and decarbonise heating. Local authorities and regional bodies play an essential role in this, and I welcome the action that is already being taken in London, including London Councils' recent publication of its Retrofit London Housing Action Plan.

The Government provides targeted support for social housing residents, and low income and fuel poor households through Government-funded grants. The Government announced in the 2021 Spending Review £3.9 billion of new funding for decarbonising heat and buildings over the next three years. This further funding includes £950 million for the Home Upgrade Grant, £800 million for the Social Housing Decarbonisation Fund and £1.425 billion for the Public Sector Decarbonisation Scheme. The Government is also investing £450 million in a three-year Boiler Upgrade Scheme and a new £60 million Heat Pump Ready programme, helping to make the greener option more affordable to all.

Several London councils have been successful in bidding for funding under these grant schemes to deliver energy performance improvement to homes in their areas. The Energy Company Obligation (ECO) helps protect the most vulnerable from the costs of retrofit, and its success lies in the fact that it can be delivered where most cost-effective to do so, regardless of location. Assigning ECO funding by area would make the scheme more complex and less cost-effective thereby reducing the number of homes upgraded.

Regional bodies fund local net zero action in many ways, including grant funding and private finance and I know you will look to innovate and test different approaches as you progress your Action Plan. 34% of councils say their climate change plans will be cost-neutral by incorporating goals into existing service area strategies. The Government has also made funding available for local climate action through the Levelling Up Fund and the United Kingdom Infrastructure Bank.

While the Chancellor keeps the tax system under review, we have no present plans to devolve additional tax raising powers to local authorities.

The United Kingdom Shared Prosperity Fund (UKSPF), worth over £2.6 billion, will help people access opportunity in places in need, such as ex-industrial areas, deprived towns and rural and coastal communities, and for people in disadvantaged groups across the United Kingdom. The Government will publish further details on the UKSPF in due course.

We are also considering options for minimum standards for different housing tenures. The Government has consulted on raising the minimum energy efficiency standards for homes in the private rented sector as well as the cost cap for landlords, and we will publish our response to this consultation in due course. We note your recommendation on raising of the cost cap. We are also currently reviewing the Decent Homes Standard, which includes consideration of how it can better support the decarbonisation of the social homes.

Your recommendations also address the link between our building safety programme and decarbonising existing homes. Building work carried out during remediation must meet the requirements of the Building Regulations as a whole, which includes consideration of energy efficiency. Building owners undertaking recladding may also wish to consider whether they could use the remediation project to implement further energy efficiency measures as this may save them further cost and resource in the future.

The Secretary of State is grateful for your invitation to discuss the above issues. There is currently significant pressure on his diary, but his office will be in touch if a suitable time can be found.

I trust this information is helpful and I thank you for writing on this important matter.

Yours ever,



**EDDIE HUGHES MP**