

Net zero homes guarantee

How to support people and improve the nation's homes



Putting people at the centre of economic recovery plans

The coronavirus has had an unprecedented impact on all of our lives. The immediate and ongoing impacts of the virus are being felt across the country and we're seeing them first hand at Citizens Advice. At their peak, views of our website reached 2.2 million a week at the start of the crisis. Many people are worried about paying their energy bills. The crisis has also shone a spotlight on the need to tackle some of the issues embedded in the use of traditional prepay meters.

Once the pandemic has been brought under control, the focus on economic recovery will begin. Last year the UK government was the first major economy in the world to pass laws to end its contribution to global warming by 2050. The target means that we have to bring all greenhouse gas emissions to net zero, in other words carbon neutral, by 2050. The Committee on Climate Change (CCC) is among those calling for a green economic recovery, with a focus on investing in low carbon programmes to generate new jobs, reduce emissions, change behaviours and create a fairer economy.

In its **annual report to parliament**, the Committee on Climate Change has suggested that government should prioritise a national plan to renovate buildings and construct new housing to the highest energy efficiency standards: this will require significant investment.

Citizens Advice supports the goal to achieve net zero. We know it won't be possible without the support and buy in of everybody in the country. There will need to be a lot of changes for people and their homes. Over 90% of homes will need to have low carbon heating systems installed by 2050, up from just 4.5% today. Low carbon heating systems such as heat pumps, biomass boilers, advanced storage heaters, heat networks and hydrogen boilers will need to be installed in over 29 million homes in the UK - a monumental, once in a generation, task.



The energy transition must be fair

People must be at the centre of plans for economic recovery. For energy and heat, this means ensuring that the energy transition is fair - whether that's in relation to costs, choice, consumer protections or decision making.

Citizens Advice is calling for the government to establish a **net zero homes guarantee**. This would be a government-backed scheme focused on giving people confidence to install low carbon heating systems or energy efficiency measures. The guarantee would help people to make informed decisions, and establish simple, enforceable, protections, so people can engage with confidence. It must include support for people through funding, finance and incentives.

A net zero homes guarantee will be essential to:

- Improve the energy efficiency performance of homes, keeping people's bills low and homes warm.
- Replace fossil fuel based heating systems and move homes on to low carbon options to achieve the net zero ambition.

Now more than ever it is important to ensure that the costs of the transition to net zero are paid for fairly. The impact coronavirus has had on incomes and affordability must not be overlooked.

Achieving the net zero emissions target will only be possible if we **inform, protect and support** people with the changes that we all have to make to our homes.

Public support will be crucial for a successful transition to a low-carbon future.



Inform

- 1 Provide a single, comprehensive net zero homes protection framework for providers and installers of household energy efficiency measures or low carbon heating solutions. People need to know what to expect when energy products or services are installed in their home. There are too many codes: consumers need one, easy to understand system.
- 2 Ensure that consumers can access high quality independent advice about what changes they need to make to their homes more efficient or switch to a different heat source. This should include holistic advice tailored to the energy efficiency and low carbon heat needs of individual homes.
- 3 Deliver a national campaign (alongside local, community based support) to explain the net zero homes guarantee, and encourage people to engage with making improvements to their home. This should use trusted channels and provide particular support to vulnerable consumers. It should explain to consumers how to identify reputable service providers, and where they can go for independent advice and redress.

Protect

- 4 The net zero homes protection scheme must be based on clear and specific objectives with an effective monitoring and audit regime. This will give people confidence that they are accessing reputable and effective suppliers and installers.
- 5 Consumers need guaranteed access to high quality, independent advice about the options available to finance the supply and installation of household energy efficiency measures and green heating solutions.
- 6 Installers of net zero equipment, services and providers of finance should be bound by rigorous, mandatory complaints handling and redress schemes. This will give people confidence that they are protected if things go wrong.

Support

- 7 Financing and funding solutions that work for all consumers will be essential. This must include the availability of grants for consumers on a low income to ensure they are not left behind.
- 8 Incentives should be used to encourage homeowners to install energy efficiency measures and low carbon heating solutions. These need to be available to all homes below band C. It should also introduce some penalties:
 - For owner-occupiers the government should use financial incentives to encourage people to make changes, for example through the introduction of lower stamp duty or council tax deductions for installing energy efficiency measures and improving the energy performance certificate rating of a property.
 - For private rented properties, the government should increase the minimum energy efficiency standard to a Energy Performance Certificate rating of C, between now and 2030, and raise the cost cap to a level that means that the vast majority of private rented properties will reach this rating

Any penalties should only be introduced when property owners have been given appropriate information, financial support and time to make changes to their property.

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