

Green Homes Grant

Background

This landmark scheme is a major pillar in the Government's Green Recovery efforts. It was first announced on the 6th July by the Chancellor, Rishi Sunak. It is designed as a short-term stimulus measure to get people back to work.

REA Analysis

We welcome the news that solar thermal and air source and ground source heat pumps will be included in the Grant alongside technologies more familiar to the consumer such as cavity insulation. Their inclusion on the list of energy efficiency saving measures eligible for the grant could give an important boost to companies providing these technologies, and help to promote consumer awareness of their value.

However, we are disappointed that Solar PV for electricity generation and electricity storage has not been included in the measures. The REA made the case to Government for Solar PV generation and electricity storage to be included in the Grant along with other renewable heat technologies. They have communicated back that they are hesitant to endorse a direct subsidy for storage at this stage, and their strategy is more about removing regulatory barriers.

The end of the Feed-in-Tariff has caused a significant slowdown in the installation of domestic Solar PV panels. Including electricity storage in the Green Homes Grant would have gone partway to rectifying the barrier put to the industry by the increase in VAT rate on domestic energy storage from 5% to 20% last year. Both industries have suffered negative affects from Covid-19 disruption to supply chains and consumer reluctance to carry out domestic installations during the pandemic.

Biomass heat and other biofuel heat solution have also been left out, which again, the REA had made strong representations on. We continue to be in dialogue with civil servants around additional support for those project that have been delayed by Covid-19 and may not be able to commission in time for the end of the RHI.

The REA and RECC welcome the plan that installers of heat pumps and solar thermal systems must be MCS certified and members of a Consumer Code. High standards are essential if consumers are to made the right choices for their properties.

Solar PV and thermal, biomass, heat pumps, and storage are mentioned as part of the Government's new Energy Advice Service. The REA has contacted Government about ensuring all their solar & storage advice is [up to date](#).

Summary

How it will work

Towards the end of August, households will be able to receive free advice from the [Simple Energy Advice service](#) about what energy savings measures would be appropriate for their home. Once works

are agreed, the Government will begin to issue vouchers from late September. Households will be offered a list of local approved TrustMark and Microgeneration Certification Scheme registered tradespeople to carry out the work.

The vouchers will be worth up to £5,000 and cover up to 2/3 of the cost of improvements for most homeowners, but households on low-incomes can get vouchers to cover 100% of the cost of improvements up to £10,000. For instance, an average income household could get £2680 paid by the Government towards an installation costing £4000.

Eligible technologies

- Solid wall, under-floor, cavity wall or roof insulation
- Air source or ground source heat pumps
- Solar thermal

In addition, households will be able to use the voucher for further measures:

- Double or triple/secondary glazing, when replacing single glazing
- Energy efficient doors
- Hot water/appliance tank thermostats/heating controls

For the Local Authority Delivery scheme, biomass is not explicitly excluded but instead, local authorities must justify why it is the most appropriate technology and they intend to ensure the ongoing use of sustainable fuels, and adhere to air quality requirements.

Other important information about the scheme

- The fund aims to improve the energy efficiency of over 600,000 homes.
- To take part in the scheme, tradespeople must sign up to the TrustMark accreditation scheme, or MCS.
- Detailed guidance was also published on the [Local Authority Delivery](#) scheme
- £500 million funding is available to local authorities for low-income households. An initial £200 million will help to upscale existing projects and a further £300 million will be available in a second phase
- The Local Authority Delivery element of the scheme aims to raise the energy efficiency rating of homes rated EPC Band E or below

We also await further announcements concerning the **Public Sector Decarbonisation Scheme**, a £1 billion fund for public sector bodies, including schools and hospitals, for energy efficiency and low carbon heat upgrades, also announced in the Chancellors 'Plan for Jobs'.