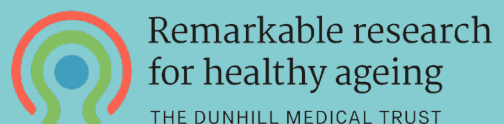


DEMOS

**THE TRIPLE
DIVIDEND
OF HOME
IMPROVEMENT
PART THREE**

GETTING BRITAIN ON TRACK
TO DELIVER NET ZERO

A BRIEFING FROM DEMOS, SUPPORTED BY
CENTRE FOR AGEING BETTER AND DUNHILL
MEDICAL TRUST



NOVEMBER 2023

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FOREWORD

The case for a comprehensive nationwide programme to address the poor quality of the UK's homes grows stronger by the day.

Safe and decent homes are the foundations for people to build good lives and have healthier later life outcomes.

Yet 3.5 million homes in England are a serious threat to their occupants' health and safety because of trip hazards, overcrowding, a lack of adequate facilities, and dangerous levels of cold and damp. This is particularly an issue as people age, with almost one in seven homes headed by someone aged 65 or over being classed as non-decent.

The bleak truth is that our housing stock is the oldest and amongst the poorest quality and least energy efficient in Western Europe, with some of the highest associated health and care costs. The housing stock we have now is inadequate to meet people's needs, and this is only going to get worse as our population ages.

But we believe this does not need to be so and the time is now to invest in our homes. Individually, we will be happier and healthier if our homes are safe. We will be more comfortable and have more money in our pockets if they are energy efficient. Collectively, we can reduce some of the pressure on our health and social care services. We can help to stimulate economic growth by creating new jobs, skills and apprenticeships, as well as new investment opportunities. We can support national action towards meeting Net Zero obligations by making our homes more energy efficient.

We urgently need the policy solutions that start delivering these benefits for all in real life.

The Centre for Ageing Better and the Dunhill Medical Trust are working with Demos to engage with government and political parties and to share those policy solutions that will enable more people to enjoy the benefits of a good home, not the costs of a bad home.

Dr Carole Easton OBE, Chief Executive, Centre for Ageing Better

Susan Kay, Chief Executive, the Dunhill Medical Trust

THE TRIPLE DIVIDEND BRIEFING SERIES

This is the last of three briefings from Centre for Ageing Better, Dunhill Medical Trust and Demos on the policy opportunities from investing in home improvement.

Each will focus on one of the specific benefits from home improvement: economic, social and environmental. This briefing is focused on the *environmental benefits*.

All briefings can be found online at: <https://demos.co.uk/research/>

INVESTING IN HOME IMPROVEMENT CAN ALSO CONTRIBUTE TO ACHIEVING OUR NET ZERO OBJECTIVES

Our previous briefings¹ showed that there are clear economic and health benefits for the UK through investing in home improvement. But there are clear environmental benefits too. Burning fossil fuels for residential heating is the second largest source of terrestrial greenhouse gas emissions in the UK, behind passenger cars. Reducing the consumption of energy by, for example, insulating homes, can help to reduce emissions and make an important contribution to our overall Net Zero targets. It is these measures that are the focus of this briefing.

The UK has been a world leader in reducing carbon emissions, however 75% of these reductions in carbon emissions have been through decarbonising the UK's energy supply rather than reducing use. Heating buildings, including our homes, continue to contribute a significant proportion to our carbon emissions. In 2019, the residential sector contributed 63 million tons out of a total of 358 million tons of carbon emissions (17.6%). In addition, housing has not seen the same level of reductions as the rest of the economy. Research by BRE Group suggests that energy demand for residential homes has been stagnant since 2014, after an initial large reduction at the start of the 2010s.²

Looking forward, the Committee on Climate Change's most recent report to Parliament on the progress in carbon emissions found that whilst "limited progress" had been made in reducing emissions in buildings (including residential buildings), "the rate of reduction needs to accelerate by a factor of two or three."³ Moreover, the Committee has found that targets for reduction in residential sector emissions were "not on track". The Committee found that 77% of the required changes to bring down emissions are either at significant risk or have insufficient plans for delivery.⁴ The UK Green Building Council has found that the current policy environment is only likely to reduce carbon emissions across buildings (including residential) by half of the level we need to achieve Net Zero.⁵

The UK government remains committed to reaching Net Zero by 2050. Without coordinated action to improve the energy efficiency of our homes and reduce carbon emissions from them we won't reach that goal.

Previous national programmes to improve home energy efficiency have failed to deliver on their potential

1 Demos et al, Home Improvement: A Triple Dividend - Part One: Boosting the British economy, September 2023 & Demos et al, The Triple Dividend of Home Improvement - Part Two: Overcoming the Health and Care Polycrisis, October 2023

2 BRE, Decarbonising heat in Britain's buildings, December 2022

3 Committee on Climate Change, Progress in reducing emissions: 2023 Report to Parliament, June 2023

4 Ibid.

5 UK Green Building Council, New analysis from UKGBC shows three key opportunities for Government to put UK back on track to net zero, 13 December 2022

and promise. The programmes we have seen to improve our energy inefficient homes have failed because they have been short-term, ill-thought through and lacked sustained investment. The Green Deal under the Coalition Government, for example, lacked a clear public awareness-raising campaign and was terminated before businesses could gear themselves up to deliver it. The same has happened for the Green Homes Grant Voucher Scheme under the current government. This report focuses on a smaller number of homes – those most in need of repair - and outlines some of the regulatory and local delivery frameworks necessary for new energy efficiency schemes to be successful.

Centre for Ageing Better research shows that we need to appeal to individuals to make the necessary changes to reach Net Zero and give them trusted advice, information and support delivered locally.⁶ One of the proposals in these briefings, the Good Home Hubs, could help to deliver this. Previous research by the Centre for Ageing Better also showed that while many people are keen to make their homes warmer and reduce energy costs, fewer are motivated to act to reduce carbon emissions per se, and this will need to influence how advice and information is provided.⁷ Most critically, we need a pragmatic, credible plan for how we can retrofit and improve homes across the sector.

There is a danger that the recent decision to scrap the requirement on landlords to ensure all rental properties have an Energy Performance Certificate (EPC) of grade C or higher from 2025 will add further uncertainty and reduce investment. We need to develop long term proposals that households, businesses and investors can get behind. This briefing aims to show how a credible, fiscally responsible home improvement strategy could be delivered over the next decade.

⁶ Centre for Ageing Better, Building Effective Local Home Improvement Services: Good Home Hubs (2023)

⁷ Centre for Ageing Better, The Good Home Dialogue (2021)

THE HOME IMPROVEMENT OPPORTUNITY

Home improvement covers many types of intervention. We define home improvement in this series of briefings as all improvements to the home made with the intention to ensure that people's homes are safe, warm and allow people to live independently. This would include infrastructure repairs, insulation, energy efficiency measures, age-friendly adaptation and accessibility improvements, for example.

However, it would not include extensions or renovations that purely seek to improve the aesthetics or monetary value of a property. We have already seen in our earlier briefings that creating safe, warm and liveable homes can have a significant positive impact on our economy and our health and well-being. But better insulated, energy efficient homes, as well as helping people out of fuel poverty⁸, will also reduce energy usage and carbon emissions contributing to our environmental objectives.

Although it is important we create high standards for the future development of homes, most of the homes that will exist in 2050 already exist today and account for almost 20% of current carbon emissions.⁹ Home improvement is essential if we want to be able to reduce energy demand and contribute to achieving Net Zero. The Committee on Climate Change has said that England needs a comprehensive home energy retrofit scheme.¹⁰

8 Home improvement can help to bring people out of fuel poverty and reduce the proportion of their income they need to spend on keeping their homes warm. We know that 34% of adults rationed heating during winter 2022/23 and of that number 57% felt cutting back on heating affected their health and wellbeing. Despite the OFGEM energy price cap being reduced in October 2023 to £1,923, the annual bills for typical consumption will still be almost £800 or 69% higher than their summer 2021 levels.

9 Centre for Ageing Better, The Good Home Inquiry: Good Homes for All, September 2021

10 Committee on Climate Change, Progress in reducing emissions: 2023 Report to Parliament, June 2023

CHART 1

MAP OF ENERGY EFFICIENCY OF HOUSING STOCK IN ENGLAND AND WALES

Median energy efficiency score

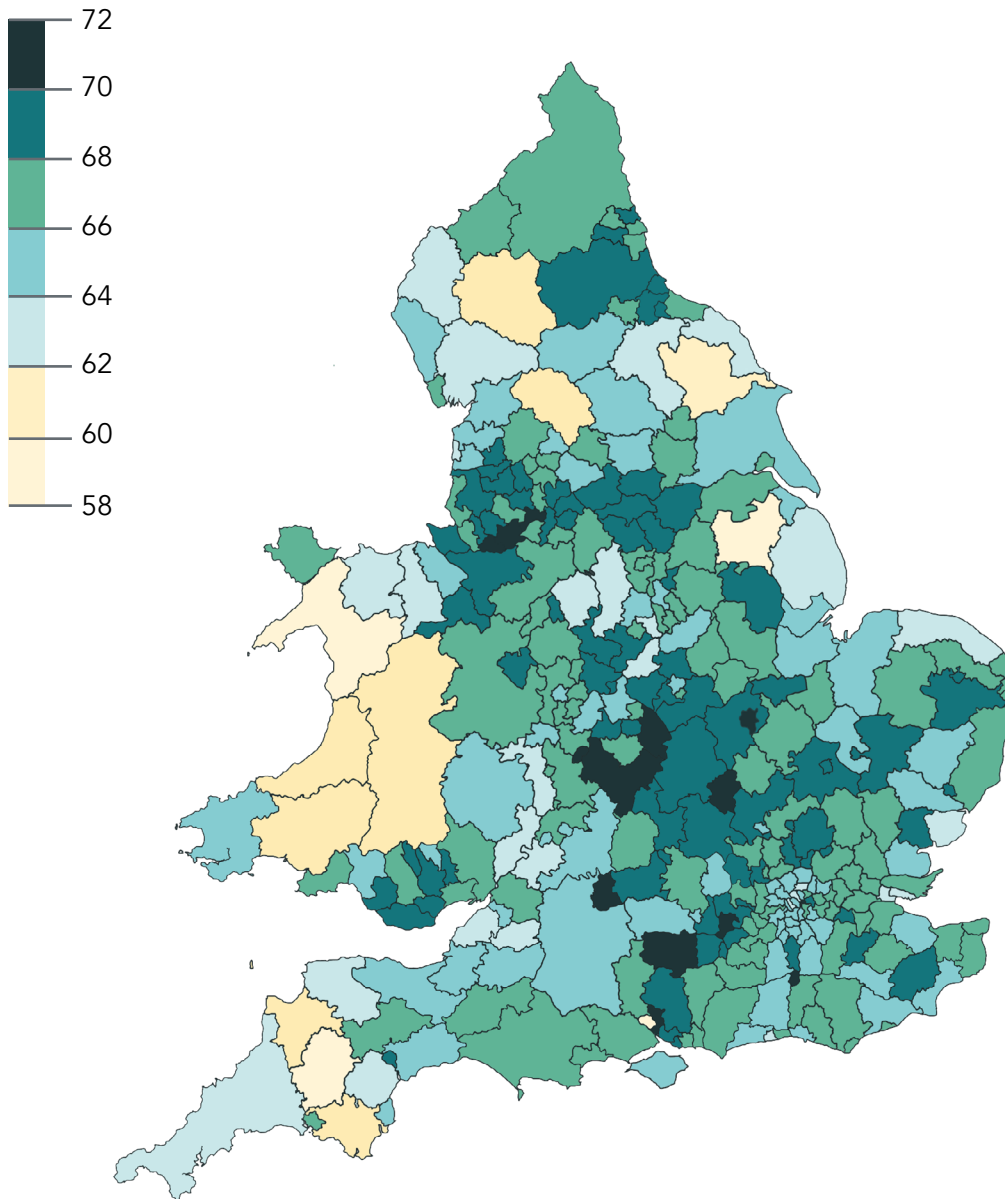


Chart 1 shows current levels of energy efficiency in homes in England and Wales. The darker the colour, the more energy efficient the average home in the area is. Those homes with lower levels of energy efficiency will be using more energy than their peers and therefore be more expensive to heat. For those from deprived backgrounds, this increases the risk that these homes will be hazardous to health and wellbeing. Energy efficiency is lower in Wales, South West of England, East of England and Yorkshire & Humber compared to the South East and Midlands. Energy efficiency is also lower in the most deprived areas. Research by the Resolution Foundation found that 40% of those living in the poorest areas in homes that have energy inefficient walls, compared to 32% of those living in the richest places.¹¹ This means that “the distributional benefits from insulating poor efficiency properties will be considerable: the impacts of the energy crisis are overwhelmingly felt by poorer households”.¹² Home improvement will be essential if these parts of the country are going to hit Net Zero by 2050.

¹¹ Resolution Foundation, Hitting a brick wall, December 2022

¹² Ibid.

It is also clear that tackling this issue would disproportionately benefit poorer households that most need support. Home improvement is the most effective way to target Net Zero investment at the most vulnerable parts of our society, creating the conditions for a 'just transition'.

The average EPC D-rated home generates 4 tons of carbon emissions every year.¹³ Home improvements can, however, have a significant impact on carbon emissions (as well as creation of skilled jobs¹⁴). In particular:

- External or solid wall insulation can reduce carbon emissions by 1.4 tons.¹⁵
- Loft insulations can reduce carbon emissions by 125 kg per year.¹⁶
- Heat pumps can reduce carbon emissions by around 2.4 tons a year on average.¹⁷
- Double glazing for windows can reduce carbon emissions by 405 kg per year.¹⁸

Recent programmes of home improvement have also had significant environmental impacts. The Green Homes Grant Vouchers generated 24,100 tons of carbon emission reductions until it was cancelled over the course of less than two years.¹⁹ This was equivalent to one ton of carbon per £9,433 spent through the scheme.²⁰ The Warm Front Scheme, a larger energy efficiency scheme which ran between 2000 and 2013, led to 1.9m ton reduction in carbon emissions in its initial eight years, equivalent to spending £1,101 for every ton of carbon removed.²¹

As the Committee on Climate Change notes, however, there is still significant work that needs to be done. In 2019, half of all homes lacked wall insulation and/or full loft insulation according to BRE Group research.²² The same research found that one in seven homes still had at least some single glazed windows.²³

At present, we lack the policy solutions to ensure that the UK's housing stock is able to achieve Net Zero. The next section outlines the levers we need to pull to ensure that our housing stock is able to make a contribution to achieving Net Zero.

13 Savills, Operational carbon - a focus on energy efficiency, 23 April 2021

14 IPPR's All Hands to the Pump, for example, found that over 300,000 jobs could be created by 2035 in retrofitting homes to improve their energy efficiency. The Government's Plan for Jobs, estimated that a £2bn investment through the Green Homes Grant Vouchers could create 200,000 jobs.

15 Westville, Does Insulation Help the Environment? Facts & Figures, 18 March 2022

16 Ibid.

17 EDF, Lower your home's carbon footprint with an air source heat pump, accessed September 2023

18 Energy Savings Trust, Windows and Doors, accessed September 2023

19 Department for Business, Energy and Industrial Strategy, Green Homes Grant Vouchers - Statistics, October 2022

20 Demos analysis

21 Department for Energy and Climate Change, Carbon dioxide emissions savings from the Warm Front programme, 13 October 2011

22 BRE, Decarbonising heat in Britain's buildings, December 2022

23 Ibid.

THE SOLUTIONS: STRATEGY, ACCOUNTABILITY, FINANCE AND INVESTMENT

We know that it is possible to develop effective policies to increase investment in home improvement because the UK has had a number of successful policy interventions in recent decades. For example, Warm Front, improved housing conditions for 2.3m households and generated 237,500 tons of carbon emission reductions per year between 2000 and 2008.²⁴

In broad terms there are four policy levers which policy makers can deploy to increase the quality of UK housing stock and boost home improvement: Strategy, Accountability, Finance and Investment.

This paper differs from other recent policy recommendations to increase the housing energy efficiency - such as Labour's plan to retrofit all homes to an EPC C rating – because our starting point is a focus on those most in need as defined by the government's Decent Homes Standard. The standard identifies homes that have hazards that pose a significant risk to a person's health and wellbeing, such as excess cold. This is a much smaller number than other, more comprehensive, policies. The policy solutions listed here are therefore significantly cheaper and could be established much more speedily.

While this prioritised approach will, of necessity, result in less of an environmental impact, it is also useful to note that, if enacted, our recommended policies provide the regulatory framework and a scale-able local delivery vehicle for any future, more widespread and extensive energy efficiency plans.

Moreover, the lesson from the past is that we need to build the policy *infrastructure* to sustain home improvement. Programmes take time to generate momentum, build up public awareness and develop supply chains that are capable of implementing change. Our proposals can be part of an overall plan - such as Labour's proposal - or could form part of a new strategy to improve the UK's housing stock. However, any successful plan will need to look at the levers outlined in this briefing paper.

1. Coordination and Strategy

The UK has no minister or public body focused on coordinating the public, private and social sectors on home improvement. There is no clear national strategic plan for improving the quality of our homes or decarbonising them.²⁵ We need a clear point of leadership within government to deliver housing's contribution to improving health outcomes and delivering Net Zero.

Making a single Minister accountable for the development of a home improvement strategy, including the energy efficiency of homes, could quickly galvanise public, private and social sector investment and a significant pillar of an overall government route-map to Net Zero. It will also help to match this policy agenda with other priorities such as boosting the UK economy and improving public health.

²⁴ Department for Energy and Climate Change, Carbon dioxide emissions savings from the Warm Front programme, 13 October 2011

²⁵ UK Green Building Council, New analysis from UKGBC shows three key opportunities for Government to put UK back on track to net zero, 13 December 2022

At a local level, we need a network of Good Home Hubs that can coordinate various interventions and provide people with access to advice and support to make it as easy as possible for people to make improvements to their homes.

2. Accountability and standards

Homes England, the public agency with a £16.4bn budget over the next five years, has no obligation to consider the quality of existing homes - missing opportunities to match public and private sector investment into home improvement. Homes England should be empowered to look beyond home building, to what can be done to transform the UK's poor-quality existing homes.

A major component of the hazards within UK homes is excessive cold. Energy efficiency standards within the Decent Homes Standards have not kept pace with the country's target to achieve Net Zero by 2050. High standards are essential for encouraging the investment required to make that target and ensure that the UK is able to remain a world leader in reducing carbon emissions.

Importantly, we also need appropriate enforcement of existing standards in the public, private and social sectors. Local authorities' budgets have been cut which means that standards have not always been enforced. This would create pressure on organisations to improve standards in both new and existing homes and leverage further investment.

3. Access to finance

Home improvement is a big economic opportunity for the UK, but it requires substantial investment, both public and private. The UK government can leverage that investment through creating schemes that provide certainty and stability for investors, without excessively risking public funds. This in turn can make financing more accessible and acceptable to individual homeowners. In addition to international schemes from countries like Germany (KfW loans) and the Netherlands (Homeownership Guarantee Fund), the UK can look at the success of loan guarantee schemes during the pandemic which can provide the opportunity for financial institutions to provide the capital needed to improve the UK's housing stock.

4. Targeted investment

Some households will simply not have the money they need to improve their homes, even if the amounts are relatively small. The Committee on Climate Change estimates that the cost of decarbonising heat in homes is less than £10,000.²⁶ A typical home with damp could cost around £18,000 to fix, according to analysis by BRE Group.²⁷ Fixing other hazards in homes can also be achieved for a few thousand pounds per home in many cases.

Targeted investment, building on previously successful schemes such as Warm Front and existing schemes such as the Disabled Facilities Grant, could improve tens of thousands of homes.

Government could also explore tax reliefs (such as Stamp Duty or Council Tax) for those households that invest in specific types of home improvement to stimulate demand and create incentives for people to do so.

Improving access to finance and targeted investment could help people to overcome their hesitancy to invest in these measures and provide certainty that it is worth the hassle to invest in the necessary changes.

Our Policy Impact Dashboard below identifies particular policies that could put these levers into practice, as well as identifying the indicative potential benefits and costs from implementing these policies.

²⁶ Business, Energy and Industrial Strategy Committee, Decarbonising heat in homes, 18 January 2022

²⁷ BRE Group, Cost of ignoring poor quality housing, July 2023

POLICY IMPACT DASHBOARD

POLICY SOLUTIONS	IMPACTS	INDICATIVE COST (per year)	REVENUE SOURCE
COORDINATION AND STRATEGY			
Set out a cross-government housing strategy with a ministerial champion to implement it	Developing a cross-government strategy would provide policy certainty for private and social sector housing providers increasing investment as well as encouraging investment in the supply of home improvement and home energy retrofit capacity in relevant trades and businesses.	>£1m	DLUHC Budget
Empower Homes England with a clear mission to improve high risk homes (e.g. category 1) and ensure investment flows alongside new strategic commitment through use of existing underspends	<p>Homes England is a major investor in the housing sector, with a budget of over £5bn in 2021/22. Diverting present underspends towards improving poor quality homes could unlock hundreds of millions of pounds per year into home improvement.</p> <p>Based on the estimates of carbon emissions reduced through the Warm Front Scheme²⁸ this could reduce the amount of carbon produced by homes by 54,495 tons per year across 60,000 households.²⁹</p>	>£1m	Underspend in Home England's budget (£499m in 2021/22)

28 This briefing uses the Warm Front Scheme for emissions as this was the last major consistent home improvement programme from the UK government that has been independently evaluated. Since the scheme was implemented, the amount of carbon emissions from energy production has fallen by 60%. As a consequence we have increased the spend per ton of carbon removed from £1,101 to £2,747 to take into account the need to spend more to generate the same level of carbon emissions as previously. All calculations are based on the Warm Front Scheme unless otherwise stated.

29 Consistent with previous briefings, these are based on 30% of investment going into tackling excess cold homes and serious damp hazards

POLICY SOLUTIONS	IMPACTS	INDICATIVE COST (per year)	REVENUE SOURCE
<p>Develop local 'Good Home Hubs' to provide a 'one-stop shop' for a range of home improvement, retrofit and energy efficiency schemes</p>	<p>A Good Home Hub would provide independent advice and support to people on home improvement; carry out independent assessments and sign post appropriate financial support as well as identify trusted traders to carry out works.</p>	<p>£150M per annum</p> <p>Research by Centre for Ageing Better estimates the cost of a Good Home Hub at £1.6m per local authority.</p>	<p>£150M per annum</p> <p>Research by Centre for Ageing Better estimates the cost of a Good Home Hub at £1.6m per local authority.</p> <p>Community Infrastructure Levy (circa £1bn revenue per annum)</p>
<p>NHS England, local authorities and Integrated Care Systems (ICS) must include housing as a key part of preventative strategies to improve population health and address health inequalities</p>	<p>Integrated Care Systems alone have a budget of around £113bn – with the recent Hewitt Review recommending a target of 1% investment in prevention within ICS areas.</p> <p>Assuming that part of that prevention budget was invested in home improvement, this strategic shift could unlock hundreds of millions of pounds of investment per year. If just one quarter of ICS prevention budgets were put into home improvements that increase energy efficiency, this could reduce 27,247 tons of carbon emissions per year across 30,000 households.</p>	<p>>£1m</p>	<p>ICS Budget (circa £113bn per annum)</p>

POLICY SOLUTIONS	IMPACTS	INDICATIVE COST (per year)	REVENUE SOURCE
ACCOUNTABILITY AND STANDARDS			
<p>Development of a robust Decent Homes Standard that is enforceable in private and social housing and includes digital connectivity and accessibility standards</p>	<p>An important driver of investment in home improvement is robust regulatory standards.</p> <p>Developing a robust and enforceable standard in private and social housing that eliminates Category 1 hazards within homes would remove over 800,000 hazards. Based on DLUHC's calculation of the economic impact of hazards that would create a 'productivity saving' of £100m per year. In tackling excessive cold and damp this could significantly improve the health and wellbeing of households, providing significant health benefits.</p> <p>BRE Group research estimates the total cost of fixing excess cold and damp hazards in private and socially rented homes could cost £1.52bn. Removing these hazards could reduce carbon emissions by 553,331 tons per year, across 678,000 households.</p>	<p>>£1m</p>	<p>DLUHC Budget</p>

POLICY SOLUTIONS	IMPACTS	INDICATIVE COST (per year)	REVENUE SOURCE
ACCESS TO FINANCE			
<p>Provide low-cost government-backed loan guarantees to improve homes and convene social investors and consumer finance sector to develop products to encourage and incentivise homeowners and landlords to improve their home</p>	<p>The Enterprise Finance Guarantee has been a successful loan guarantee system introduced in 2009. Since then, it has supported over £3.3bn in lending to small and medium sized businesses, enabling these firms to get access to finance that they otherwise may not have been able to. On average, for every £1 spent on the programme around £10 worth of loans were generated.</p> <p>A loan guarantee scheme for home improvement could unlock affordable finance for owner-occupiers, who are more likely to utilise this kind of scheme.</p> <p>Assuming a lower rate of leverage given the difference between business and personal finance, a £1bn loan guarantee scheme would still cost only £200-300m a year. Assuming around a third of the investments would go in energy efficiency improvements this could reduce carbon emissions by 109,210 tons per year across 99,381 households.</p>	<p>£100-200m per year</p>	<p>Profits from the British Business Bank (circa £70-100m)</p>

POLICY SOLUTIONS	IMPACTS	INDICATIVE COST (per year)	REVENUE SOURCE
TARGETED INVESTMENT			
Home MOTs – Home safety assessment and referral scheme, preventing falls and accidents at home and increasing the information available to households in relation to minor improvements	In conjunction with Good Homes Hubs at a local level, Home MOTs would provide a way for households to identify their repair needs, the benefits of improving their homes and the potential costs.	(part of Good Home Hubs see above)	N/A
Investing in an Awareness Raising Campaign (in collaboration with civil society and experts) on the benefits of home improvement for energy and health	<p>A challenge to ensuring take up of schemes will be awareness. Many households are not aware of the benefits that can be generated through home improvement and improving the energy efficiency of their homes.</p> <p>Complementing the development of Good Home Hubs and offering services such as loan guarantees will need to be a national awareness raising campaign.</p> <p>This would need to be coordinated at a local level, through Good Home Hubs, with civil society, businesses and other experts.</p> <p>An awareness raising campaign could be match-funded by businesses, charities and foundations that have an interest in improving health outcomes or climate change – creating further opportunities to spread interest in this scheme.</p>	£25m per year	<p>DLUHC & DESNZ Underspend</p> <p>(in 2021/22 Department for Business, Energy and Industrial Strategy underspend was £857m, DLUHC was £2bn)</p>

POLICY SOLUTIONS	IMPACTS	INDICATIVE COST (per year)	REVENUE SOURCE
<p>Expand the Disabled Facilities Grant into a Home Adaptations Grant to cover a wider range of at-risk households and hazards to help those that are unable to take out loans or afford to make improvements themselves.</p>	<p>The Disabled Facilities Grant has been a major success. It is a mandatory grant to pay for essential adaptations to give disabled people better freedom of movement into and around their homes and give access to essential facilities within the home. It is currently means tested to ensure that it helps those with the greatest levels of vulnerability. However, there are many individuals that are in need of urgent home improvements or living in poor quality conditions that are damaging their health and wellbeing. Expanding the eligibility criteria for this grant to cover vulnerable people in poor physical and mental health and at risk of disability could generate significant benefits.</p> <p>Currently the Disabled Facilities Grant is allocated £573m in 2023/24 and an additional £102m has been allocated to the grant for two years. Expanding the eligibility criteria alongside additional funding could help tens of thousands of households.</p> <p>Although this scheme expansion could help reduce carbon emissions, depending on the accessibility changes made (for example, enabling people to be more mobile reducing their need on cars or fossil-fuel based transport) but overall emission reduction is likely to be limited.</p>	<p>£300m per year</p>	<p>DLUHC & DESNZ Underspend (in 2021/22 Department for Business, Energy and Industrial Strategy underspend was £857m, DLUHC was £2bn)</p>

POLICY SOLUTIONS	IMPACTS	INDICATIVE COST (per year)	REVENUE SOURCE
TOTAL	CO2 reduction per year: 744,283 tons -1.3% of residential sector greenhouse gas emissions Households helped: 867,000 <i>equivalent to:</i> Taking 463,892 cars off the road Planting 650,000 trees 750,000 flights from London to New York	Cost: £625m per year	

SUMMARY

The policies identified in this dashboard can, in most cases, either be funded through existing departmental underspends, leveraging existing budgets more effectively and utilising appropriate fiscal tools (e.g. profits for Arms-Length bodies and Community Infrastructure Levy). As such, the additional costs are relatively low – around a few hundred million pounds per year – however the benefits could be significant. Overall, the reduction in carbon emissions would be considerable – around 744,283 tons – per year, 1.3% of our annual target for a relatively small financial investment. This is equivalent to planting 650,000 trees per year, based on estimates by the National Trust³⁰, removing 750,000 flights from London to New York³¹ or taking the emissions produced by 463,892 cars off the road every year.³² It would also improve the health, wellbeing and financial security of hundreds of thousands of people, improving both the energy efficiency and wider safety of homes across the country.

30 <https://www.nationaltrust.org.uk/our-cause/nature-climate/climate-change-sustainability/our-ambition-to-establish-20-million-trees-to-tackle-climate-change>

31 <https://www.theguardian.com/environment/ng-interactive/2019/jul/19/carbon-calculator-how-taking-one-flight-emits-as-much-as-many-people-do-in-a-year>

32 NimbleFins, Average CO2 emissions per car in the UK, 14 April 2022

CONCLUSION

Investing in home improvement is likely to have a strong positive impact on our economy and society through its substantial multiplier effect (the additional economic, social and environmental benefits created). These are exactly the type of policy interventions the UK needs in the midst of economic and fiscal uncertainty whilst huge social and environmental challenges remain.

Previous UK government investment in housing has not only created jobs and leveraged investment into places that need it, but it has also helped to reduce carbon emissions. As the UK looks to achieve Net Zero and protect the environment, home improvement is essential to meeting that goal. There is no route to achieving it that does not involve a dedicated strategy to improve our housing stock.

The residential sector is becoming an ever more important source of carbon emissions, as we successfully decouple energy generation from fuels such as gas and coal that generate large carbon footprints. With an ageing population, ensuring well heated but sustainable housing will become even more important.

Carbon emissions from the UK's homes are nearly a fifth of the country's total carbon footprint and we must take action to reduce demand for energy as well as decarbonise the energy supply. This report focuses on the homes most in need of repair and outlines some of the regulatory and local delivery frameworks necessary for any larger energy efficiency scheme to be successful.

The right home improvement and energy efficiency schemes can also generate significant job opportunities across the country, delivering skilled green jobs across the country.

The UK has successfully upgraded millions of homes before, we know how to realise this triple dividend. Through the right combination of public, private and social sector action, we can improve the lives of millions of people, save significant public money, create new jobs and skills and meet our commitments to the environment.

As the steps towards Net Zero get tougher, we cannot afford to ignore the pressing need to retrofit and improve the UK's housing stock. Home improvement is a vital tool in achieving Net Zero.

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