



Department for  
Business, Energy  
& Industrial Strategy

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Andy Mitchell  
Co-Chair, Construction Leadership Council  
By email: [Construction.Enquiries@beis.gov.uk](mailto:Construction.Enquiries@beis.gov.uk)

27 April 2021

Dear Mr Mitchell,

Thank you for your letter dated 7 April, regarding the Government's commitment to tackling decarbonisation of buildings.

Meeting our carbon goals will require the vast majority of the UK's 27 million homes and 2 million non-domestic buildings to be virtually zero carbon by 2050, through a combination of energy efficiency and moving to low carbon heat.

The Government welcomes the recommendation made in the National Retrofit Strategy. We will be publishing a Heat and Buildings Strategy in due course, which will set out our policies and plans for the 2020s, demonstrating how they work together to ensure we are on track for net zero by the end of the decade.

We already have a range of policies and programmes to support this transition. Our approach, recognising remaining technology uncertainty, is to focus on what we know now. We want as many homes as possible, where cost-effective, practical and affordable to reach EPC C or above by 2035, with EPC B or better for non-domestic buildings, by around 2030 and to be deploying 600,000 heat pumps per year by 2028. We are also providing support for the most vulnerable through the Energy Company Obligation (ECO) scheme, which is funded at £640 million per annum, and has delivered 2.9 million improvements in nearly 2.2 million homes, to the end of October 2020.

Regarding the closure of the Green Homes Grant Scheme. Strong progress is evident across many of the economic stimulus schemes, with substantial sums being invested in social housing, schools, and hospitals, as well as in homes, where the partnership with Local Authorities is working well. This includes the Green Homes Grant – comprised of the Local Authority Delivery (LAD) element and Voucher Scheme.

The LAD scheme has already allocated £500 million of funding across the English regions, to support energy efficiency and low carbon heating retrofits in around 50,000 low-income households. The delivery of such measures under LAD will take place across 2021.

The Local Authority Delivery scheme and the Social Housing Decarbonisation Fund will require many of the same skills and training as the Green Home Grant Voucher Scheme. Investing in these skills and training remains a key priority for us, following the Government investment of £6.9 million in skills training for this industry in December 2020 which is ongoing.

This is also why the Government is investing £2.5 billion in a National Skills Fund, helping to support hundreds of thousands of green jobs over the next decade. This approach will help us support a thriving retrofit industry to ensure we build back better after the pandemic and continue to deliver on our Net Zero ambitions.

In addition, the majority of the installation work in the first phase of the LAD scheme, totalling £200 million worth of grants across 225 Local Authorities, is being conducted through SMEs and it is our expectation that this should continue. We continue to work with business and key industry bodies, and have launched the 'Green Jobs Taskforce', to produce an action plan for green skills across a range of sectors, with the goal of supporting two million net zero jobs by 2030.

Finally, I would like to thank you for your support to BEIS and Government through co-chairing the Government's Construction Leadership Council (CLC). The CLC has played a key role in supporting the sector to navigate the challenges of EU Exit and COVID and I look forward to continuing to work with you.

I hope you will find this reply helpful.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Kwasi Kwarteng', is centered on the page.

**RT HON KWASI KWARTENG MP**  
Secretary of State for Business, Energy & Industrial Strategy