



Department for
Business, Energy
& Industrial Strategy



Department for Levelling Up,
Housing & Communities

Net Zero Buildings Council (NZBC) Minutes
10 – 11:30 Monday 6th December 2021
First meeting - Virtual meeting

Attendees

Ministerial

- Lord Callanan (Chair) Minister for Business, Energy and Corporate Responsibility (BEIS),
- Rt Hon Kwasi Kwarteng MP Secretary of State for Business, Energy and Industrial Strategy (BEIS),
- Eddie Hughes MP Minister for Rough Sleeping and Housing (DLUHC)

Participants

- Brian Berry, Chief Executive, Federation of Master Builders
- David Thomas, Group Chief Executive, Barratt Homes
- Dean Finch, Group Chief Executive, Persimmon
- Emma Pinchbeck, Chief Executive, Energy UK
- Greg Jackson, Chief Executive Officer, Octopus
- Guy Newey, Strategy and Performance Director, Energy Systems Catapult
- Howard Porter, Chief Executive Officer, BEAMA
- Ian Calvert, Chief Executive Officer, The Association for Decentralised Energy
- Ian Hughes, Head of Policy, Local Government Association
- Julie Hirigoyen, Chief Executive, UK Green Building Council
- Karen Boswell, Managing Director, Baxi
- Kate Henderson, Chief Executive, National Housing Federation
- Mike Reynolds, Managing Director, Vattenfall Heat UK
- Peter Smith, Director of Policy and Advocacy, National Energy Action
- Rob Gross, Director, UK Energy Research Centre
- Sadie Morgan, Board Member, Homes England; Founding Director, dRMM Architects
- Stewart Baseley, Executive Chairman, Home Builders Federation
- Viki Cooke, Co-founder and Chair, BritainThinks

Officials

- David Capper, Director Clean Heat, BEIS
- Selvin Brown, Director Energy Efficiency and Local, BEIS
- Jessica Skilbeck, Director Energy Efficiency and Local, BEIS
- Catherine Adams, Director Net Zero & Greener Buildings, DLUHC
- Net Zero Buildings Council Secretariat
- Ministerial and private office support

Actions

- Participants to provide any feedback on Terms of Reference
- Participants to provide any further views on themes for future NZBC meetings
- Secretariat to circulate participants' contact details, subject to their consent

Summary of meeting

- The Council was widely welcomed as an important opportunity to bring together a broad range of viewpoints into a delivery focussed dialogue, with participants identifying many useful insights they could bring and clear opportunities for positive linkages and synergies emerging.
- Participants generally agreed that the strategy is a welcome step, but we need to build on it to provide long term signals and policy certainty to grow market confidence, enable investment and significantly increase consumer demand.
- There was general recognition that the Council could be a useful forum to raise the profile of the challenges faced in decarbonising buildings and driving coordination both within and outside of government.

Readout

Opening remarks

- Lord Callanan welcomed participants to the inaugural Council session, setting out its goal to provide a forum to develop an important and productive partnership between Government, industry and the third sector to make progress on decarbonising buildings, one of the hardest challenges and biggest opportunities in meeting net zero.
- Rt Hon Kwasi Kwarteng MP outlined how critical action in the heat and buildings sector and this Council will be in delivering the Net Zero Strategy and some of the benefits and challenges faced in doing so.
- Eddie Hughes MP then outlined the opportunities presented by this agenda for levelling up and emphasised the importance of making sure that, whether building new homes or reforming the planning system, the standards that we set for buildings put us on the right path to achieve our commitments.

Item 1. The strategic landscape: An outline

- Lord Callanan introduced and recapped the headline ambitions and commitments in the Heat and Buildings Strategy, which is based on taking a whole systems approach, driving down consumer costs, accelerating low-regret actions, balancing certainty with flexibility and targeting support to the most vulnerable:
 - For all homes to reach EPC C by 2035 where cost-effective, affordable and practicable.
 - To phase out new natural gas boilers by 2035 at the latest;
 - To address distortions in energy prices and reduce the cost of heat pumps so they are no more expensive to buy and run than gas boilers by 2030;
 - To deploy 600,000 heat pumps a year by 2028;
 - To make strategic decisions on the role of hydrogen heating by 2026, following village-scale trials.
- Lord Callanan also underlined that we need to work for and with markets and consumers, which is why the Government has committed £3.9bn of further funding over the next three years to kick-start markets and help those who need it most make the transition to low carbon, including funding for fuel-poor homes, the Boiler Upgrade Scheme, public sector decarbonisation, heat networks and innovation funding on trialling the role of hydrogen heating. These schemes present enormous opportunities for levelling up, green skilled jobs, UK manufacturing and exports and improving the quality of life of households up and down the country, as well as delivering net zero.
- David Capper then presented an overview of some of the issues that could benefit from the Council's focus:

- Investment in UK supply chains - significant new investment in manufacturing capabilities and infrastructure will be required to decarbonise buildings by 2050.
- Skills & training - there is a need to upskill / reskill the current workforce and recruit new entrants.
- Standards & consumer protections – make sure that consumers are adequately protected and that installation of new technology or remedial measures is completed to a high standard.
- Consumer advice and awareness – there is currently low consumer awareness of the options to decarbonise buildings and the changes that will impact different segments.
- Green finance - growing the market for green finance products will be essential to support homeowners to improve the energy performance of their homes.

Item 2. Introductions and roundtable

Participants were asked to introduce themselves with particular focus on critical themes within the strategy as well as views on the headline objectives in delivering heat and buildings decarbonisation. Notable topics raised were:

- Raising awareness: participants underlined the challenge of getting the country on board with the idea that the housing energy efficiency upgrade is at the forefront of the Net Zero agenda. It has sometimes tended to be seen as secondary to power, vehicles and other areas. Raising the national profile of this issue should therefore be an important objective of this council.
- Supply chain and market: participants highlighted the impacts of skills and materials shortages and the benefits that encouraging innovation, new entrants and new opportunities for investment could bring. There was also positive evidence about the potential of developing economies of scale and using existing industry structures to drive progress and improve standards.
- Skills: participants highlighted the necessity of working more closely with different sectoral needs, for example installer employment patterns, to successfully deliver schemes, as there is some evidence the demand for retraining is there already.
- Consumer advice and awareness: participants emphasised the importance of consumer advice and clear messaging to develop and embed demand-side measures and action, including smart technologies, and reflecting that different consumer segments have different needs.
- Consumer costs and green finance: advice and awareness were also linked to a need to reduce costs for consumers and provide greater access and clarity on green finance options.
- Regional approaches: participants highlighted the benefits that could arise from working closely and effectively with Local Authorities and trusted community engagement mechanisms, and from support to overcome some of the challenges arising for regional approaches.
- Learning opportunities: there was broader feedback on realising the benefits of taking low regrets actions and learning lessons from previous policies, such as how to better protect consumers from poorer quality installations or companies going bankrupt.
- Energy Performance Certificates (EPC): Specific issues were raised about EPC's fitness for purpose in their current formulation and whether they could be reconfigured to better support government's strategic objectives.