



PHASING OUT THE INSTALLATION OF FOSSIL FUEL HEATING IN HOMES OFF THE GAS GRID

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Introduction

1. The Country Land and Business Association (CLA) is the membership organisation for owners and managers of land, property and business in rural England and Wales. Our members manage around 10 million acres and operate over 250 different types of businesses.
2. Collectively, our members manage around a third of all rural private rented sector housing. They provide housing for local people, many of whom are retired and/or on a low-income. Our most recent member research suggests that on average, tenants stay in a property 7.5 years, with 30% of tenants staying 10 or more years.
3. Most of these homes are of traditional (pre-1919) construction and are off-gas grid, in addition to many being listed or within a conservation area. As a result, these homes present the greatest challenge to decarbonise.
4. Our members are committed to helping the government achieve the 2050 net-zero target. They are currently engaging in many practices to reduce their emissions, and many (particularly larger members) are undertaking 'carbon accounts' to measure and then manage their carbon emissions and assess where they can make improvements.
5. The CLA has long been supportive of measures to mitigate climate change and we support regulation on this, but it has to be proportionate, transparent, consistent, properly targeted, and effective.

Key Points

- 2026 is too soon to phase out the installation of fossil fuel heating in off-gas grid homes. This is almost a decade sooner than their urban counterparts, a highly unconventional 'high-hanging fruit' approach which would require a relatively small number of widely differing buildings to take on all the immediate risks of an immature low-carbon heating market. These risks include high capital costs, high running costs, lack of installers and a lack of skills and knowledge, especially for older buildings, and insufficiently tested reliability, all resulting in a lack of consumer confidence.
- A technology-neutral approach must be introduced, rather than a "heat pump first" approach, so that homeowners have the flexibility to choose the most effective low-carbon heating option for them and their property.
- Currently, the metric of a domestic Energy Performance Certificate is cost, which means that an air source heat pump often scores lower than an efficient oil boiler,

given an efficient oil boiler is often cheaper to run. It is illogical, unfair, and unaffordable to require landlords and homeowners to install an air source heat pump in their properties if it remains very expensive to install, costs more to run and scores badly on an EPC.

Consultation Questions

Question 1: Do you agree with the principle of working with the natural boiler replacement cycle as the key trigger to deploy low carbon heat? Please provide evidence to support your response.

6. Although the natural boiler replacement cycle seems a sensible principle in theory, there are quite serious practical implications to consider. Currently, if an oil boiler comes to the end of its life in the middle of winter, it is relatively simple and quick to replace. The oil boiler sector is well established, there are sufficient supply chains and there are an adequate number of installers. The replacement of an oil boiler with another oil boiler may leave the occupants without heating for a few days. However, if an oil boiler breaks but needs to be replaced with a different type of heating, the time an occupant may be without heating is likely to increase to many days, possibly weeks. This is because a homeowner will need to research which low-carbon heating to install, have a feasibility study undertaken, find an installer (of which there is a lack of, particularly in rural areas), and have the heating system installed.
7. There needs to be sufficient incentives and awareness so that homeowners can either transition, or plan to transition, to low-carbon heating in advance of their boiler breaking down. This is essential to avoid rushed decisions, rushed installations and people going without heating, especially in the depths of winter. Incentives to transition should include lower capital costs, grant funding (as set out at point 47), tax incentives (as set out at point 53, 57 & 60) and cheaper running costs.

Question 2: Would a 2026 end date for the installation of fossil fuel heating in homes off the gas grid give industry and consumers sufficient time to prepare for the regulations? Please provide evidence to support your response.

8. No – although we are fully supportive of the aim to decarbonise the heating of buildings, 2026 is too soon. The roll-out of low-carbon heating to off-gas grid homes must be de-risked. One way to do this would be for a mass-rollout pilot scheme for off-gas grid homes, with Government oversight and monitoring, including on the impact of local electricity grids.
9. The heat pump sector is still underdeveloped, and no number of policies or funding in the next four years would be enough to result in the growth required to adequately upskill heat engineers and develop robust supply chains to bring down the capital cost and running cost of the technology. Fossil fuels should be phased out when there is a cost-effective, affordable, and appropriate low-carbon heating option for off-gas grid, rural homes.
10. The Boiler Upgrade Scheme could limit the growth of the heat pump sector, by supporting the installation of 30,000 heat pumps a year from 2022-2025, which is

approximately the number the sector is currently delivering without funding; the 30,001st consumer may wait until the next allocation of funding, meaning that the increase from 30,000 to 600,000 will have to be achieved in an even shorter time frame.

CLA Member Case Study

A landlord in North Yorkshire installed a ground source heat pump to heat a number of properties. It soon became apparent that the system was under-specified, and they had continual problems with it, despite the installer being accredited. In addition, the landlord was unable to receive RHI due to misinformation from the installer. After some years of it barely working, the landlord had no choice but to rip it out, and has now replaced it with an oil system. The tenants are all happy, but our member is incredibly frustrated and has wasted a large amount of money and time.

11. It is widely accepted that rural homes present the greatest challenge to decarbonise yet are being asked to do so almost a decade sooner than their urban counterparts, as it is proposed for mains-gas boilers to be phased out from 2035. This unconventional 'high-hanging fruit' approach would mean that off-gas grid, non-standard homes are going to be exposed to all of the risks of an immature market, including a higher price for the technology, a higher cost of electricity, a lack of installers and skills, a lack of understanding around the efficacy of heat pumps in older buildings, insufficient funding, and an unsupportive tax system.
12. Currently, replacing an efficient oil boiler with an air source heat pump can result in fewer EPC points, making it more difficult for landlords to reach the required minimum energy efficiency standard of Band E. Phasing out the installation of fossil fuel heating in homes must be encouraged by the minimum energy efficiency standards. Changing the EPC metric from cost to carbon would be an important part of ensuring this.

Question 3: Do you agree with a heat pump first approach to replacement heating systems in fossil fuel heated homes off the gas grid that can reasonably practicably accommodate a heat pump? Please provide evidence to support your response.

13. No – we support a technology-neutral approach. Although heat pumps have a role to play in rural areas, a 'heat pump first approach' should not be introduced, especially in an immature market. A lack of installers, skills, knowledge, and experience will result in poorly fitted systems, which will be more expensive to run in the short term, and more expensive in the long run as they will need to be repaired and replaced.
14. Many of our members have faced significant barriers when trying to install a heat pump, especially in older buildings, including not being able to find an installer, needing to upgrade the fabric which is not viable in terms of heritage designation or cost, and needing to upgrade the electrical connection, which again is not viable in terms of cost. When our members have installed a heat pump, many have had ongoing maintenance issues, often exacerbated by installers ceasing to trade.
15. A 'heat pump first approach' would distort the market, disadvantaging other heating options, such as biomass, biofuels and infra-red, which may be a more cost-effective way of decarbonising off-gas grid homes. A report for Calor suggests that supporting

more than one technology for hard-to-treat homes can reduce the total decarbonisation cost and offer consumer choice.¹

16. Modelling by BEIS suggests that 80% of off-gas grid homes are suitable for a heat-pump without the need to retrofit insulation. However, analysis by Calor suggests that figure is closer to 50%.² We have spoken to many members and have yet to come across an example of when a heat pump could be fitted in a traditional property without the need for retrofitting.
17. The most cited issue from our members around the electrification of heat is the inadequacy of the electrical grid. A 'heat pump first approach' requires an electrical grid with sufficient capacity, especially considering it is not only the electrification of heat that the grid has to cope with, but also the electrification of transport. Before the phasing out of fossil fuel boilers in off-gas grid homes, especially if electrification of heat is the leading pathway, the electrical grid must be fit for purpose, and required upgrades must be centrally funded, rather than rely on private finance.
18. Storm Arwen showed us the vulnerabilities of rural dwellings and businesses reliant on electricity. For many rural homes, no power has meant no phone, no hot water, and no lights. However, in the future, under the current proposals, this will also mean no heating and no transport. It is incredibly important that rural homes have heating which is not solely reliant on electricity.
19. **CLA Recommendation:** Rather than a heat pump first approach, funding should be made available to homeowners for a heat pump feasibility assessment. This would incentivise homeowners to consider installing a heat pump early but keep the flexibility for homeowners to choose which heating type is best for them and their property.
20. Currently, a heat pump feasibility assessment is undertaken by a heat pump installer, but this assessment should be undertaken by someone impartial. This could be a qualification offered within the existing accreditation bodies for domestic energy assessors and retrofit assessors. It is essential that there is additional training for assessors undertaking an assessment on traditional and/or listed buildings.

Questions 4: Do you have any views on the design or content of guidance that will help households and installers determine whether it is reasonably practicable to install a heat pump? Please provide evidence to support your answer.

21. A reliable heat pump feasibility study is expensive, and may include a site survey, a heat loss assessment, a flow temperature calculation, and emitters estimate. If homeowners and landlords are required to have a technical study to determine whether it is reasonably practicable to install a heat pump, funding must be made available for this study. If funding is not available, then the guidance for households must be simple and easy to apply, without the need for costly surveys, although take up will be slower and the risk to individuals greater. This may take a similar form to the online questionnaire

¹ Ecuity Consulting LLP, [Off Grid Heat Decarbonisation Pathways](#), December 2020

² As above

which was available via the Energy Advice Service to assess eligibility for the Green Homes Grant.

CLA Member Case Study

It cost **£1,450+VAT** for a viability study for the installation of an air source heat pump in a small two-storey, two-bedroom semi-detached cottage in the Peak District. The study came back with a quote for **£28,000+VAT** for the air source heating system. The landlord is a small village charity, and the property is let on concessionary terms to a local single mother. The capital cost of the installation is therefore financially unviable, and if the charity had known the likely level, they would never have gone through the expensive feasibility process.

22. A heat pump can technically be installed in any property, but a harder to treat or larger home will need a bigger heat pump with many more emitters, which will cost significantly more to install and to run. The installation and running cost must be a key determinate when assessing whether a heat pump is 'reasonably practicable'.
23. Although we support a technology neutral approach, if a heat pump first approach is introduced, a homeowner should be required to spend no more than the landlords' cost cap under MEES, to install a heat-pump. This must include every aspect of the transition, including professional fees, additional insulation, heating infrastructure and making good, as well as the actual heat pump, emitters, and installation.
24. Currently, the heat loss and flow temperature assessments underestimate the actual thermal insulating capacity of most solid walls, and therefore often require larger systems than are actually needed or additional insulation, in traditionally constructed homes, both of which add extra cost. For rural homes to be effectively decarbonised, and for a correct evaluation of the suitability of a heat pump, **the thermal insulating capacity of solid walls must be accurately assessed** which requires the u-values of solid walls to be updated, alongside further improvements to SAP/RdSAP.
25. In December 2021, findings from a government backed study were published, which sought to better understand the feasibility of a large-scale roll out of heat pumps across homes in the UK. The report: *Electrification of Heat Demonstration*, concludes that all housing types are suitable for a heat pump. However, out of the 742 trial properties, only 20% were off-gas grid, despite off-gas grid homes being required to transition to low carbon heating almost a decade sooner than urban homes. In addition, only 8% of trial properties were constructed before 1919, despite one fifth of all homes being of traditional construction. The study is still in its infancy, so there are not yet any findings as to the medium to long term success of the installations.
26. There is a lack of understanding and confidence around the efficacy of heat pumps in older buildings, and before a heat-pump first approach can be mandated, a mass-rollout pilot must be undertaken, targeted at off-gas grid, traditional homes, with Government oversight and monitoring, including on the impact of local electricity grids. Until that point, a technology neutral approach must be adopted.

Question 5: Do you have any additional evidence on the size and characteristics of the cohort of homes off the gas grid that have the greatest deployment potential for ground source heat pumps?

27. Given the high capital cost of ground source heat pumps, they are more likely to be viable in a heat network, or larger individual buildings, rather than a typical home.
28. The capital cost is the largest barrier to ground source heat pumps, and for there to be a greater uptake, costs need to come down, which in part requires targeted funding. The £6,000 allocated under the Boiler Upgrade Grant is insufficient to incentivise uptake, especially when the allowance for an air source heat pump is £5,000, despite an air source heat pump costing around half that of a ground source heat pump.³
29. In addition, small district heating schemes are not eligible under the Boiler Upgrade Scheme, which could previously get support to decarbonise through the Renewable Heat Incentive, or under the proposed Green Heat Networks Scheme. Small rural heat networks – which would typically install systems of 100-250kW in size - are excluded from planned government support schemes, despite being the most efficient and sustainable way to heat a cluster of buildings.
30. **CLA Recommendation:** Government should urgently review proposed system size limits for both the Boiler Upgrade Scheme and the Green Heat Networks schemes to ensure that appropriate support is provided to help decarbonise heat in small rural heat networks.

Question 6: Do you agree that the performance of replacement heating systems in homes off the gas grid that cannot reasonably practicably accommodate a heat pump should reflect the current high standards of performance that can be delivered through high temperature heat pumps and solid biomass systems? Please provide evidence to support your answer.

31. A technology neutral approach is important to enable homeowners to choose a heating system which performs best for their home. There are a number of different variables which will impact their choice, including suitability to construction, tenure, capital cost, running cost, consistency of heat, proximity to market and EPC points achieved.

Question 7: Do you agree that future use of solid biomass to decarbonise heat in homes off the gas grid should be limited to rural, off-gas grid areas where air quality can be better controlled, and in 'hard to treat' properties that are not suitable for other low carbon heating technologies? Please provide evidence to support your response.

32. Yes - Biomass heat is well suited to rural areas, where the wood fuel often comes from the nearby woodland, which is entirely sustainable.
33. Using locally grown firewood to heat rural homes is wholly sustainable, and drives a circular economy, incentivising woodland management, which has significant rural economic, biodiversity and climate change mitigation benefits. 41% of England's

³ Energy saving Trust, [Air source heat pumps vs ground source heat pumps](#), October 2021

broadleaf woodlands are unmanaged and Defra's England Trees Action Plan <https://www.gov.uk/government/publications/england-trees-action-plan-2021-to-2024> aims to ensure more woodlands are brought under favourable management. A sustained rural biomass heat market can help achieve this as wood-fuel income improves the viability of woodland management.

34. Operations like thinning and removal of diseased trees generates low grade wood, local sales of which as firewood logs or wood chip generates income to help fund ongoing woodland management. Thinning of a woodland is essential for long term timber production and for improving the biodiversity of the habitat, as removing the low-quality trees lets in more light concentrating growth on the remaining better-quality trees and enabling a diverse woodland floor habitat to be sustained.
35. In addition to biomass boilers, wood burners are also an important heating type in many rural homes and must be appropriately recognised on SAP/RdSAP/EPCs. Not only is firewood sustainable, but it is critical for rural tenants to have some form of heating, which is not reliant on electricity, as recently demonstrated by events such as storm Arwen, where many rural dwellers in northern England were without electricity for up to 10 days during the winter.

CLA Member Case Study

A one-bedroom, one-storey, well-insulated detached let property needed a new heating system, as the existing direct electric heaters were too expensive for the tenants to run. The landlord looked into an air source heat pump, but the £14,000 quote was not viable, especially as the landlord lets the property below market rent to a local young couple.

There is already a wood burner at one end of the property, and the tenants asked for a second wood burner at the other end of the property, as it is their preferred heating type. This is the most sustainable way to heat the property, as the landlord manages woodland close to the property, and supplies the tenants with high quality firewood. It is also the most cost-effective option for the landlord, as the new wood burner costs less than half that of an air source heat pump and has enabled the property to continue to be let at a reduced rent. Running two wood burners to heat the property costs less than running the direct electric heaters and is a completely renewable heating source. As wood burners are not recognised on an EPC, the landlord has had to keep the direct electric heaters in place, to reach the current minimum EPC rating under MEES.

Question 8: Do you have any views on the development of heating fuels and systems which will be consistent with wider government objectives on net zero emissions, environmental sustainability, and air quality, and offer a secure and affordable fuel supply to consumers, from 2026? Please provide evidence to support your answer.

36. A technology neutral approach will enable greater research and development into net zero heating fuels and systems, whereas a heat pump first approach will stifle innovation and offer consumers less choice in the long run. It is essential that one heating type isn't favoured over another by government, so that the market can deliver

the wider government objectives on net zero emissions, environmental sustainability, and air quality, and offer a secure and affordable fuel supply to consumers.

37. The capital cost of heat pumps is the largest barrier, in addition to the uncertainty of their efficacy in older homes. It is therefore important that consumers have the choice to install the best low-carbon heating option for them, which, for some homeowners, may be a system which has a lower initial installation cost but higher running costs, due to cash flow.
38. Hydrotreated vegetable oil (HVO), Biofuels and infra-red could all have a role to play in decarbonising rural heat.
39. Enabling homeowners to choose the best low-carbon heating for their homes will be much more effective, and (importantly) more acceptable to homeowners than mandating a heat pump route. For some, a heat pump may indeed be the best option, especially if there are grants available for the initial feasibility study and for the technology itself. However, the decision must fall with the homeowner, and there must be free, impartial advice available to support the decision.

Question 9: Do you agree with an end date for the use of remaining fossil fuel heating in homes off the gas grid by the late 2030s? Please provide evidence to support your answer.

40. No – the heat pump sector will not have reached full maturity in the late 2030s, given the phasing out gas boilers will have only just begun.

Question 10: Do you have any views on measures the Government could introduce to ensure that fossil fuel heating will no longer be used in homes off the gas grid by the late 2030s? Please provide evidence to support your answer.

41. The most effective way of ensuring consumers change from fossil fuel heating to low-carbon heating is to make it the most attractive choice. Comparing the choice consumers currently have to make between oil heating and an air source heat pump illustrates the huge shift which is needed to make this happen. A replacement oil boiler will cost around £3,000, compared to a new air source heating system, which may cost around £12,000 (usually considerably more if insulation and other work is required). In addition, the cost of running an air source heat pump is often more than an efficient oil boiler, whilst also often achieving fewer EPC points.
42. Listed buildings and buildings within conservation areas often require planning permission for low-carbon heating technologies and fabric measures. This adds extra cost and time to a project, and local authorities often take inconsistent approaches in decision-taking. Many of our members would like to make changes to reduce the carbon impact of their buildings but have been refused permission or are put off applying due to previous bad experiences with the planning system.
43. **CLA Recommendation:** Firstly, SAP/RdSAP measurement and EPC recommendations need substantial amendment, so that all buildings (including traditional buildings) are correctly measured; and EPC recommendations are correctly measured, on a circular-

economy/whole-life basis, and properly risk-assessed. Secondly, the NPPF and its Planning Practice Guidance should be carefully reviewed (with public consultation), to ensure that the climate change benefits of physical measures (again correctly measured and risk-assessed) are taken fully into account in decision-taking, alongside all other planning benefits or harms.

Question 11: Do you have any views on how best to ensure compliance with the proposed regulations laid out through this consultation? Please provide evidence to support your answer.

44. The key to effective compliance is by the regulations being proportionate, transparent, consistent, fair, and properly targeted, not enforcement. If significant enforcement is required, the underlying policy is almost certainly defective. The current proposals require rural homes to transition away from fossil fuels almost a decade sooner than their urban counterparts under a 'heat pump first approach', which will expose them to all the risks of an immature market. This is not consistent or fair to rural homeowners.
45. **CLA Recommendation:** £2.2 billion of targeted funding to be made available for off-gas grid homes from 2026-2030, to enable the effective transition to low-carbon heating, by off-setting some of the risks of an immature market rural landlords will be required to take. This assumes a grant up to £10,000 for 20% of the 1.1 million rural homes which need to transition to low-carbon heating.

Question 12: Do you have any views on what more could be done to address financial barriers to heat pump deployment? Please provide evidence to support your answer.

46. Funding is essential in an immature market, to help offset the risks rural homeowners will be required to take. This includes funding for the initial feasibility study for a heat pump in addition to targeted funding for off-gas grid homes to transition to low-carbon heating, as set out in our recommendation to question 11. In addition to funding, the tax system must not further disincentivise installing energy efficiency measures.
47. There are existing disincentives in the VAT system that discourage the move to low carbon heating.
48. Schedule 7A, Group 2 of the Value Added Tax Act 1994 specifies the specified energy-saving materials that qualify for reduced rates of VAT. Whilst ground source heat pumps, air source heat pumps, micro combined heat and power units, and wood-fuelled boilers can qualify for reduced rating, it would be helpful to expand the list to include all forms of low carbon heating such as infra-red heating and energy saving measures that can be undertaken to the fabric of a property, such as wall, roof and floor insulation (cavity and solid wall), secondary glazing and double glazing. It will be important to keep this list updated as new technology is developed.
49. Following an ECJ decision⁴, from 1 October 2019 the ability to apply the reduced rate of VAT was limited to supplies that met the social policy conditions or the 60% threshold.

⁴ <https://curia.europa.eu/jcms/upload/docs/application/pdf/2015-06/cp150065en.pdf> and <https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX:62014CJ0161>

This threshold can only be met if the cost of the materials, net of VAT, is less than 60% of the total value of its supply, net of VAT. The social policy conditions limit reduced rating to supplies that are grant funded and made to a qualifying person who is either aged 60 or over or is in receipt of one of the specified benefits. Installations paid for by contributions from landlords do not qualify for the reduced rate. Where landlords fund the installation of energy saving materials in their properties, they cannot benefit from the reduced rating even where the property is let at a reduced or affordable rent unless the supply meets the 60% threshold. With the high cost of air source heat pumps it is unlikely that this threshold will be exceeded so the business supplying and installing the low carbon heating will need to apportion the value of the total supply that it makes between materials (which will be standard rated) and labour (which will be reduced rated).

50. The supply of energy-saving materials without installation (that is, only those materials), is standard rated, whereas the installation of energy-saving materials purchased directly from a retailer is reduced rated.
51. **CLA Recommendation:** All supplies of energy saving materials, including supplies of materials without installation, qualify for reduced rating. This would reduce the cost of those supplies and help to incentivise the take up of low carbon heating.
52. Landlords must be able to offset all energy efficiency improvements against income tax. Under current tax rules, a rental business cannot deduct the cost of capital expenditure when computing its profit or loss⁵. It can be difficult to determine what is of a capital nature and what is of a revenue nature that is deductible from income as this is reliant on the facts and circumstances in each case. Case law is often not very clear and so there can be uncertainty in the treatment of expenditure incurred.
53. Although no single rule has been devised for distinguishing between capital and revenue, it is generally accepted capital expenditure includes the cost of buying, altering, building, installing, or improving fixed assets used in the rental business, whereas expenditure to maintain or preserve an existing asset (rather than obtaining a new one) is revenue in nature and is deductible. There are also questions as to whether the expenditure is to improve the entirety of an asset (capital) or only the part of an asset (revenue). In that case, what is taken as the entirety of the asset? There are two scenarios where uncertainty arises.
54. The first relates to the correct treatment of expenditure on measures undertaken to make the fabric of a property more energy efficient. This could include wall, roof, and floor insulation (cavity and solid wall) or secondary glazing. It would be helpful if these additional measures were accepted as revenue in nature. HM Revenue and Customs (HMRC) already accept that replacing single glazing with double glazing can be treated as revenue expenditure⁶.
55. **CLA recommendation:** The government should confirm that expenditure on energy saving measure to the fabric of a building will be treated as revenue not capital in nature

⁵ Section 33 Income Tax (Trading and Other Income) Act 2005

⁶ <https://www.gov.uk/hmrc-internal-manuals/business-income-manual/bim46925>

and this should be reflected in the HMRC's Business Income Manual (BIM35000 - Capital/revenue divide) to give taxpayers certainty.

56. Secondly, uncertainty arises as to whether the installation of a heat pump in place of, say, an oil-fired boiler is a repair as part of the entirety of an asset (whether this is the property or the complete heating system) or is to be treated as the whole asset. If it is treated as the replacement of an entire asset, then this expenditure will be capital in nature and the cost will not be deductible from rental income under the normal deductibility rules.
57. Where low carbon heating is included in the Energy Technology List as a technology that qualifies for the UK government's energy-saving Enhanced Capital Allowance (ECA) scheme, a qualifying business, such as a property business, will be able to claim the ECA against their income for that tax year. However, as landlords of residential housing are excluded from claiming capital allowances for plant and machinery installed in dwelling houses the ECA will only benefit those property businesses installing this technology for commercial buildings. In addition, whilst the Energy Technology List includes technology such as air to air heat pumps, air to domestic hot water heat pumps, other low carbon technology such as ground source heat pumps, wood burners, high-retention night storage heaters, direct electric heaters, and infra-red heating technology are not included.
58. **CLA recommendation:** The capital allowances regime should be expanded to incentivise the installation of low carbon heating in dwellings. This can be achieved by amending the Capital Allowances Act so that the restriction in section 35 does not apply where property businesses install qualifying energy technology in their residential properties and so can claim the ECA. The Energy Technology List should be expanded to include all forms of low carbon heating, including ground source heat pumps, wood burners, high-retention night storage heaters, direct electric heaters, and infra-red heating technology. This list should be reviewed and updated as new low carbon heating technology is developed and introduced into the market.

Question 13: Do you have any views on how we should encourage smart-enabled heating in homes off the gas grid? Please provide evidence to support your answer.

Question 14: Do you have any views on what more could be done to galvanise supply chains for low carbon heating? Please provide evidence to support your answer.

59. Commitment to long term funding is essential to provide confidence for the market to galvanise supply chains. Our recommendation for a £2.2 billion targeted fund for off-gas grid homes from 2026-2030 would help do this.
60. For the market and supply chains to work effectively, a technology neutral approach must be taken, to support innovation and ensure consumers have the flexibility and choice for the best low-carbon heating system for them and their property.

Question 15: Do you have any additional evidence on how groups protected under the Public Sector Equality Duty may be affected by our proposals to phase out high carbon fossil fuel heating in homes off the gas grid?

61. Rural communities often have older or less-able residents, and for many, changing their heating system will be incredibly disruptive and technology difficult to understand. This is not only at the time in which a system is being fitted, which may require significant clearance of rooms, but also the preparation required before that point: choosing a new heating system, obtaining quotes, organising the work, and making good. People (especially older people) often find change difficult, and something as significant as how they heat their home may be an enormous overhaul for them. It is essential that there is support and funding available to help them transition, in addition to support using the new heating system so it can achieve the level of comfort occupants are used to.

Question 16: Do you have any views on what more could be done to ensure households, and communities, affected by our proposals experience a smooth transition to clean heat? Please provide evidence to support your answer.

62. Free, impartial advice and support is essential for a smooth transition to clean heat. Changing the way people heat their home might be one of the biggest investments and changes homeowners make, and it is essential they are given the right information at the outset on how to achieve the most cost-effective, suitable option. Currently, the majority of advice is provided by the suppliers of different heating technologies, who do not give impartial advice.
63. Rural communities often have poor digital connectivity, which can make disseminating information harder, especially to older people.

Question 17: Do you have any further comments to make on our proposals to phase out high carbon fossil fuel heating in homes off the gas grid? Please provide evidence to support your answer.

64. It is essential that the phasing out of fossil fuel heating is compatible with the minimum energy efficiency standards (and also that MEES is improved, though that is not the subject of this consultation). Currently, the metric of a domestic Energy Performance Certificate is cost, which means that an air source heat pump often scores lower than an efficient oil boiler, given an efficient oil boiler is often cheaper to run. It will be incredibly difficult to require landlords and homeowners to install an air source heat pump in their properties if it remains very expensive to install, costs more to run and scores badly on an EPC. Installing low-carbon heating must enable landlords to meet the minimum energy efficiency standards.
65. The HMT Net Zero Review Final Report states that listed or historic dwellings and buildings in conservation areas are more challenging to retrofit due to the variation in building material used and a desire to ensure that retrofitting does not spoil the historic context of the building. This means that costs for these dwellings are likely to be higher than average in order to achieve the same outcome, taking this beyond economic viability or any politically feasible cost cap.

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