

**Department for Energy Security & Net Zero Boiler Upgrade Scheme Regulations Consultation**

**Response from Propertymark**

**September 2023**

**Background**

1. Propertymark is the UK's leading professional body of property agents, with over 17,700 members representing over 8000 branches. We are member-led with an executive Board of practicing agents who we work closely with to ensure that we uphold high-standards of professionalism and are able to advocate for legislative change on behalf of the sector.

**Consultation – overview**

2. The UK Government's Powering Up Britain plan, published in March 2023, set multiple objectives that would enable the UK to move towards energy independence and reduce its impact on the climate.<sup>1</sup> One of these objectives included an ambition to replace all natural gas boilers by 2035, which would be achieved partially through the Boiler Upgrade Scheme (BUS). The BUS, which had been operating since March 2022, was designed to provide financial support to property owners in England and Wales with grants of £5,000 to £6,000 to encourage the replacement of existing boilers with low carbon heating systems. Since its introduction, the UK Government has been engaging with stakeholders to improve the scheme so that 600,000 heat pumps can be installed a year by 2028. This consultation seeks to understand the public's views of proposals to improve the scheme.

**Propertymark response – summary**

3. Propertymark welcomes the opportunity to respond to the Department for Energy Security & Net Zero (DESNZ) consultation on the Boiler Upgrade Scheme Regulations. In February 2023, Propertymark responded to the House of Lords Built Environment Committee Inquiry into the scheme<sup>2</sup>. Calling on the experience from agents, 48% of Propertymark members stated they were

---

<sup>1</sup> <https://www.gov.uk/government/publications/powering-up-britain>

<sup>2</sup> <https://committees.parliament.uk/committee/515/environment-and-climate-change-committee/news/186300/the-boiler-upgrade-scheme-is-failing-to-deliver-says-lords-committee/>

unaware of the scheme's existence and that the funding available was insufficient and too restrictive to encourage landlords to retrofit their properties<sup>3</sup>.

4. Considering the views from our members, which were validated by additional comments sent to and the conclusion of the Lords Committee, the reforms suggested by DESNZ must go further and be more radical. While we are glad to see that the scheme has been extended, there continue to be serious limitations that will prevent further take up of the scheme, in which as of 31 January 2023 had only issued 11,086 vouchers.<sup>4</sup> Our response is based on the following issues our members have raised with the scheme that have all led to poor numbers of vouchers issued, which limits DESNZ's ability to meet its net zero and energy independence objectives:

- **Public awareness with the scheme continues to be low.** Both our internal surveys and the Lords Environment and Climate Change Committee have highlighted the issue that public awareness of the scheme and low-carbon heating systems is very limited. In order to address this, the BUS will require a committed marketing programme to generate interest.
- **The existing grant does not sufficiently cover the cost of retrofit.** The primary reason Propertymark members stated for landlords not considering the scheme was that the grants do not sufficiently cover the costs of retrofit. Since then, costs for landlords have increased dramatically through the wider cost of living crisis and rising mortgage rates. In order to increase the number of vouchers
- **The grant programme should be flexible to promote widespread adoption of wider retrofit measures.** It is not feasible for many homeowners and landlords to replace their boiler system. As part of wider measures to support energy efficiency measures, we recommend that the UK Government consider expanding the BUS or providing an alternative open grant system for energy efficiency measures that can be better tailored to the available funds of the homeowner and needs of the property.

---

<sup>3</sup> <https://www.propertymark.co.uk/resource/better-funding-options-needed-for-boiler-upgrade-scheme.html>

<sup>4</sup> <https://www.gov.uk/government/statistics/boiler-upgrade-scheme-statistics-january-2023>

**Questions**

**Question 1: Do you agree with the proposal to allow for the potential differentiation of the grant levels for different types of property or property owner within the regulations? Yes/No. Please provide evidence to support your response.**

5. Yes, we have often called against grants or legislation that proposes a “one-size-fits-all” approach to energy efficiency. We are therefore glad to see that the DESNZ has acknowledged that costs will be different for certain properties and existing fuel types. However, we continue to be concerned that the existing grant is not sufficient for many homeowners to justify retrofitting their homes. Even if homeowners and landlords could afford to retrofit their homes with the grant, many continue to be put off by the cost of replacing their boilers, as can be shown by how only £81 million of grants have been issued since from the scheme’s launch on 23 March 2022 to 31 July 2023<sup>5</sup>. This is despite how £150 million was set aside for each year, with the number of applications continuing to be below targets. In order to increase the number of vouchers provided, differentiation should reflect the total cost of replacing boilers, rather than the grants being set at a fixed amount. While we acknowledge that this would necessitate and increase in the grant paid for most homes, this would help to support a greater uptake of the scheme, ensuring more homes can become more energy efficient.

**Question 2: Should we maintain the current requirement for a valid EPC with no outstanding recommendations for loft or cavity wall insulation? Yes/No. Please provide evidence to support your response.**

6. Yes, we think the current requirement should be maintained for two reasons. Firstly, the requirement encourages potential applicants to explore alternative ways to improve the energy efficiency of their property. Secondly, as pointed out in the consultation document, the requirement ensures that the grant is provided to properties that would benefit the most from replacing their central heating system. As stated previously, the key barriers to the grant scheme remain the upfront costs of retrofit which should be considered rather than focusing on the more inconsequential barrier of the EPC requirement.

---

<sup>5</sup> <https://www.ofgem.gov.uk/publications/bus-monthly-scheme-update>

**Question 3: If you consider the EPC requirements to be a barrier to uptake, what specifically do you consider to be the issue.**

7. Propertymark does not consider the EPC requirements to be a barrier to uptake. The issues causing barriers to uptake are the value of the grant, the lack of public and industry awareness and how not all properties are suitable for the eligible heating systems that the grant covers.

**Question 4: If we retain the EPC requirements, are there any potential changes we could make to ease the consumer journey without risking heat pumps being installed in unsuitable properties? For example, allowing the submission of an expired EPC with no recommendations for loft or cavity wall insulation.**

8. In order to promote buildings to be ready for a replacement heating system, we would encourage that DESNZ provides smaller supplementary grant programmes to support homes to be ready. Alternatively, these smaller grant programmes could fit within the BUS as a larger scheme with different steps available for homeowners to take towards improving the energy efficiency of their home. This would include helping homeowners and landlords finance loft or cavity wall insulation, which would enable them to apply to the BUS if they choose to do so. Even if they do not due to financial reasons or due to their property being unsuitable, they still would have made their property for energy efficient. Considering the amount of remaining allocated funding, any funding that has not been used for the BUS could be used to fund these supplementary grant schemes.

**Question 5: Should we allow biomass boilers with a cooking function provided the cooking function is integrated and cannot be controlled separately to the heating function of the property? Yes / No. Please provide evidence to support your response.**

9. Yes, we support the inclusion of biomass boilers with a cooking function to be included within the BUS, provided the cooking function is integrated and cannot be controlled separately to the heating function of the property. There will be properties where heat pumps are not suitable, such as coastal properties where salt in the air is known to damage these heating systems. While we would encourage DESNZ to explore additional heating systems which can be included, it is positive to see that some additional heating systems are being considered.