

# House of Lords COVID-19 Committee Inquiry: Life beyond COVID

The Royal Institute of British Architects champions better buildings, stronger communities and higher environmental standards through the practice of architecture and our 40,000 members. We provide the standards, training, support and recognition that put our members – in the UK and overseas – at the peak of their profession. With government and our partners, we work to improve the design quality of public buildings, new homes and new communities.

The RIBA welcome the opportunity to respond to this inquiry. Our response builds upon a number of [our submissions](#) to government and parliament inquiries on coronavirus and the UK's 'green' post-COVID economic recovery.

Architecture directly contributes £4.8 billion to the UK economy every year, with a further £1 billion a year embedded in the exports of the other industries it supports. As a sector predominantly made up of small and medium sized businesses, it is particularly susceptible to economic uncertainty and recession.

By way of background, around 40% of global carbon emissions stem from buildings and architects have a significant role to play in reducing UK greenhouse gas emissions. The RIBA joined the global declaration calling an environment and climate emergency in June 2019; just after the UK government passed a law stipulating the UK end its contribution to global warming by 2050, by bringing all greenhouse gas emissions to net zero.

In October 2019, we also launched the [2030 Climate Challenge](#). The Challenge asks architects meet net zero (or better) whole life carbon for new buildings by 2030 by reducing operational energy, embodied carbon and potable water usage.

## Question 1: Are there any positives you would take from this pandemic?

### The Government's focus on a 'green' post-COVID economic recovery

The government has emphasised that a 'green' post-COVID recovery is vital for the UK economy. This push from government is not only a positive opportunity to assist the economy through recovery, it is a significant chance for the UK to get ahead and improve existing practices toward a more sustainable future in line with the Government's net zero targets.

This commitment from government, paired with the fact that roughly 40% of global carbon emissions stem from buildings and construction<sup>1</sup>, it is evident that the built environment has a key role to play in supporting an environmentally friendly recovery from the coronavirus pandemic.

The Government's Clean Growth Strategy sets the target of bringing all homes to Energy Performance Certificate (EPC) band C by 2035, "where practical, cost-effective and affordable". Currently, only 29% of homes meet this standard; which leaves a remaining 71%, equating to around 19 million homes, to be retrofitted if the UK is to meet its energy efficiency target.<sup>2</sup>

Improving the energy efficiency of our existing housing stock and ensuring new buildings do not negatively impact the environment are key to stimulating post-pandemic investment and consumer spending, improving the nation's health and wellbeing and meeting our net zero targets. The recently announced Green Homes Grant was therefore a welcome initiative from government in efforts to rebuild the post-COVID economy however, we emphasise that this must just be the beginning.

#### Recommendations:

- Improving the energy efficiency of homes must become a national infrastructure priority and Government must set more ambitious retrofit targets.
- The Government must set out clear retrofitting policies as part of a National Retrofit Strategy, including incentives to stimulate private capital and funding for training and education.
- The £9.2 billion earmarked in the Conservative Party's election manifesto must be confirmed in full and implemented as soon as possible.

### Greater flexibility around the operation and submission of evidence to planning committees

To allow for a smooth and continued operation of the UK construction sector when lockdown restrictions in place caused delays to projects, the RIBA called on the government to introduce greater flexibility around the operation and submission of evidence to planning committees. The Planning Inspectorate has since introduced flexible, virtual measures which have been a positive development as a result of the pandemic.

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<sup>1</sup> Bringing Embodied Carbon Upfront, World Green Building Council, 2019 <https://www.worldgbc.org/bringing-embodied-carbon-upfront-report-webform>

<sup>2</sup> House of Commons Business, Energy and Industrial Strategy Committee, *Energy efficiency: building towards net zero*, pg. 13

## Question 2: What are the things that you are most worried about?

The global pandemic has had a significant impact on the sector and although there seems to be gradual improvements, the possibility of a second peak in the UK comes with severe risks for businesses that may have just managed to survive the first. The RIBA's monthly Future Trends surveys alongside two COVID-specific surveys of the profession – in March and in May – have been conducted and used to understand the immediate and ongoing impact of the pandemic on the personal and professional lives of architects. Our research has highlighted that practice workloads, job security and availability of government support remain key areas of concern for UK architects as a result of the pandemic.

### **Practice workloads**

Project delays, cancellations and site closures as a result of the pandemic have all lead to practice workloads being impacted significantly. In April, widespread disruptions were reported with 79% of our COVID-19 survey respondents reporting project delays and 37% reporting project cancellations. Delays were being caused by factors such as site closures – with 61% reporting this outcome – new delays within the planning system, and disruption caused by instructions to work from home.<sup>3</sup>

Despite more flexible, virtual measures being introduced by the Planning Inspectorate over the lockdown period in England, findings from our COVID-19 survey in May showed the ongoing economic impact of the pandemic with 58% reporting fewer new business enquiries and 53% a decreased workload. Widespread disruption continued to impact workloads, with 90% of respondents experiencing project delays and 60% being impacted by site closures. Project cancellations also continued, with 48% of respondents stating this was due to the client, 12% due to main contractors and 10% due to sub-contractors.<sup>4</sup>

The RIBA Future Trends survey for April demonstrated a historical low record balance figure of -82 for the Future Trends Workload index, far lower than -31 recorded in March 2009, the months following the global Financial Crisis.<sup>5</sup> Since April however, the Future Trends Workload index has seen gradual improvements each month, with the latest report for July demonstrating a figure of +3<sup>6</sup>. Though this is promising, fears of a second wave of the virus accompanied by similar if not worse impacts on practice workloads could be dire for the future of businesses within the construction sector.

### **Job security**

An immediate disruption to staffing across the architecture sector was clear from the early stages of the pandemic, 5% of respondents to our COVID-19 survey in March stated that they are currently looking for work and 1% reported that they have been made redundant.<sup>7</sup> A study by Oxford Economics suggests the UK architecture sector is projected to lose £1 billion in revenue (24%) and 1,800 jobs (2% of jobs)<sup>8</sup> as a result of the pandemic. The RIBA Future Trends Survey for July also demonstrated that 75% of practices expect the level of permanent

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<sup>3</sup> RIBA Covid-19 Survey, Executive Summary, April 2020 <https://www.architecture.com/knowledge-and-resources/knowledge-landing-page/riba-covid-19-survey-executive-summary>

<sup>4</sup> RIBA Future Trends Survey: May 2020 <https://www.architecture.com/knowledge-and-resources/resources-landing-page/future-trends-survey-2020>

<sup>5</sup> RIBA Future Trends Survey: April 2020 <https://www.architecture.com/-/media/GatherContent/RIBA-Part-3-examination-information/Additional-Documents/FutureTrendsApril2020pdf.pdf>

<sup>6</sup> RIBA Future Trends Survey: July 2020 <https://www.architecture.com/-/media/GatherContent/Social-Value-Toolkit-for-Architecture/Additional-Documents/FutureTrendsJuly2020pdf.pdf>

<sup>7</sup> RIBA Covid-19 Survey, Executive Summary, April 2020 <https://www.architecture.com/knowledge-and-resources/knowledge-landing-page/riba-covid-19-survey-executive-summary>

<sup>8</sup> The Projected Economic Impact of Covid-19 on the UK Creative Industries report, Oxford Economics, June 2020 <https://www.creativeindustriesfederation.com/publications/report-projected-economic-impact-covid-19-uk-creative-industries>

staff to remain constant over the coming three months, whilst 17% expect permanent staffing levels to decrease.<sup>9</sup> Despite the slightly improved prospects for future staffing when compared to previous months, the RIBA are concerned that financial support from the government including the Coronavirus Job Retention Scheme and the Self Employed Income Support Scheme may not be available to protect businesses from the impacts of a second peak of the pandemic.

### **Availability of government support**

The RIBA Future Trends report for July also demonstrated that an average of 20% architectural staff remain furloughed<sup>10</sup> and it is unclear as to what will happen to this significant proportion of staff once the scheme ends in October.

### **Question 3: What do you most hope changes for the better?**

#### **The Government's focus and investment in a 'green' post-COVID economic recovery must be supported by Post Occupancy Evaluation to verify buildings are energy efficient**

With government efforts and investment focused on a 'green' post-COVID economic recovery, it is vital that building owners and users gain a better understanding of how their building performs compared to the design intention, in order to ensure value for money. Even when a building's design has energy efficiency at its heart, the promised energy efficiency standards are not always met.

Undertaking Post Occupancy Evaluation (POE) is key to ensuring that a building is as energy efficient as intended. POE is the process of obtaining feedback on a building's performance in use after it has been built and occupied. POE accurately measures factors such as energy consumption, water usage, maintenance costs and user satisfaction.

If POE is not carried out, the building user is unaware of the energy efficiency improvements that could be made. POE also highlights where a building can be improved, allowing for a process of continuous improvement, and lessons learnt, in the construction industry.

The Government should not only promote and endorse POE but require POE as a condition of procurement of public funding for building projects. This is essential for the transparency of how public money is spent, but also provides data that can be shared and learnt from, allowing for continuous improvement on energy efficiency within the built environment.

As POE is a service, there is a cost associated. Whilst this cost is very small to the building user, research shows as a proportion of a project's cost POE costs an additional 0.1% - 0.25% , POE requires a professional to undertake the work, providing employment opportunities. At the same time, the cost of undertaking the POE is injecting capital into the economy, whilst any issues discovered during the evaluation provide further opportunities for capital to be invested to make a building more energy efficient.

The construction industry is one of the few sectors where a large sum of money is spent, yet there is no assurance that the building is performing as intended. Measuring building

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<sup>9</sup> RIBA Future Trends Survey: July 2020 <https://www.architecture.com/-/media/GatherContent/Social-Value-Toolkit-for-Architecture/Additional-Documents/FutureTrendsJuly2020pdf.pdf>

<sup>10</sup> RIBA Future Trends Survey: July 2020 <https://www.architecture.com/-/media/GatherContent/Social-Value-Toolkit-for-Architecture/Additional-Documents/FutureTrendsJuly2020pdf.pdf>

performance confirms that a building is not negatively impacting the environment and providing value for money for the owner.

Recommendations:

- The Government must endorse and promote that all buildings undertake POE.
- The Government should require POE as a condition of procurement of public funding for building projects.

### **The Government must utilise effective procurement procedures, which includes social value to ensure better quality development**

Effective public procurement prioritises good design outcomes and can maximise the social, environmental and economic benefits of development. Poor procurement practice or a lack of in-house expertise can lead to public clients not getting the infrastructure or housing projects that they had initially planned for, which can also result in communities not getting the quality they deserve in the housing or services that are developed as a result.

Government must take an outcomes-based approach and invest in the right design skills, briefing and design process when setting project budgets and fee levels. Consultants should not solely be appointed on the lowest fee, as they may not be able to properly resource the level of service required. This can lead to low quality outcomes which do not deliver long-term value to the taxpayer.

Procurement procedures should be selected and tailored to suit the needs of the project, utilising design quality to shortlist or award contracts. The selection phase should be made as simple as possible and proportionate to the scale and complexity of the project. Rather than extensive previous experience of an identical project, a track record of undertaking projects of a similar scale and complexity should be considered when assessing a consultant.

The Government must also consider social value during the procurement process. The Social Value Act 2012 legislated to introduce better accountability of social value through government spending. However, there is scope for more to be done, and we welcome Government moves to support this.

The RIBA supports the development of more explicit award criteria to consider social value (covering areas such as community cohesion, health and wellbeing, access and inclusion, social sustainability, innovation and resilience). It is important that the procurement practices for retrofitting works on social or low-income housing result in sustainable, safe and quality homes.

Recommendations:

- The Government must take an outcomes-based approach and invest in the right design skills, briefing and design process when setting project budgets and fee levels.
- The Government must consider social value during the procurement process.

## A more decentralised approach to decision making with decisions taken at the appropriate level

As a result of the pandemic, productivity and quality in the construction sector remain very low across the UK. Local and regional government structures have a key role to play in addressing this and help deliver local growth. However, they must be given the ability to make decisions to do so.

The RIBA would welcome a more decentralised approach to decision making. At present even in areas with significant devolution, decision making on issues including transport and planning are taken at an inappropriately high level.

Different projects will require different levels of decision making. For example, local authorities are often too local to tackle large housing or infrastructure projects and local authority boundaries do not necessarily reflect regional economies. Where combined authorities already exist, further powers should be devolved to allow for greater coordination of public policy aims.

Where combined authorities do not exist, the RIBA suggests that new devolution deals should be struck. Combined authorities can support wide-ranging visions for their areas and better reflect Functional Economic Market Areas (FEMAs). FEMAs are defined by a range of factors, such as travel to work areas, consumer market areas, and infrastructure networks. However, in the UK, there are often no public bodies reflecting the geographical location of FEMAs. This is worrying, because international evidence suggests that devolved government at the level of the FEMA is critical to economic success.

### Recommendations:

- Strike new devolution deals until there is a solution in place for every area of the country.
- Create a pathway to deepening devolution deals to ensure powers can be at least as extensive as those held by the Greater London Authority.