

# Royal Institute of British Architects

House of Commons Environmental Audit Committee:  
Accelerating the transition from fossil fuels and securing energy  
supplies  
May 2022

The Royal Institute of British Architects is a global professional membership body driving excellence in architecture. We serve our members and society in order to deliver better buildings and places, stronger communities and a sustainable environment. Being inclusive, ethical, environmentally aware and collaborative underpins all that we do.

The Royal Institute of British Architects (RIBA) welcomes the opportunity to respond to this inquiry. 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 on 29 June 2019; just two days 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.

We believe that there are several areas that are critical to success in achieving the UK's net zero ambition, and with the right decisions, the UK can demonstrate global leadership and create a world-leading built environment sector.

To help secure energy supplies, the RIBA recommends the Government:

- Tackle energy demand within buildings by introducing a National Retrofit Strategy – a long-term plan and investment programme for upgrading the energy efficiency of our housing stock.
- Introduce a sliding scale of Stamp Duty, where the most energy efficient homes pay significantly less than the least.
- Make improving the energy efficiency of England's building stock a national infrastructure priority.
- Ensure local authorities must have the knowledge, skills and clout to improve energy efficiency in their local area.

**RIBA**   
Architecture.com

Incorporated by Royal Charter  
No. RC000484  
Registered Charity No. 210566  
VAT Registration No. 232 351 891

Royal Institute of  
British Architects  
66 Portland Place  
London, W1B 1AD, UK

Phoebe MacDonald  
Senior Policy & Public Affairs Advisor  
[phoebe.macdonald@riba.org](mailto:phoebe.macdonald@riba.org)

## Securing sustainable energy supplies and protecting households from high prices

- **How effective will the Government's Energy Security Strategy be: at reducing reliance on oil and gas at the pace required to limit global heating to 1.5 degrees; securing alternative energy supplies; and protecting households from high fossil fuel prices?**

The publication of the Energy Security Strategy signals progress and should help to boost the UK's energy independence. However, the Strategy focuses on energy supply – which will not help to help to tackle energy consumption or crippling price rises. The best way to cut bills and carbon emissions is to reduce energy use – to do this, we must improve the energy efficiency of our buildings.

The UK has the least energy efficient housing in Europe and 19% of our carbon emissions from heating buildings. We must urgently upgrade the building fabric of the country's housing stock and move away from a reliance on gas heating – both to reduce carbon consumption and to ensure homeowners are less vulnerable to volatile gas prices.

This is a significant challenge, but one the Government must rise to through a well-funded National Retrofit Strategy – a long term policy and investment programme for upgrading the energy efficiency of England's housing stock. Such a strategy would need to be based on substantial and sustained government funding.

Critical to a successful National Retrofit Strategy will be a series of policies trying to build up demand amongst homeowners who are “able to pay”, an area where past efforts have fallen short. Currently there are no incentives or subsidies for owner occupiers who are not classed as in fuel poverty or on low incomes.

The RIBA recommends the Government use the tax system to embed energy efficiency in the housing market. Stamp Duty Land Tax should be tied to the energy efficiency of a property, providing an incentive for homebuyers and owners to invest. A sliding scale of stamp duty, where the most efficient homes pay much less tax than the least, could be capped at £25,000 to avoid large and potentially punitive increases on expensive homes. We also recommend a time-limited rebate period, to encourage homeowners to make their own energy efficient improvements.

Evidence shows that people are more likely to pursue energy efficiency improvements at certain trigger points or moments of change, such as moving home, since they are already prepared for disruption at these times. In 2017-18, there were 1.1 million residential transactions; reforming stamp duty could incentivise a large proportion of homes each year. However, adjusting stamp duty is not a silver bullet – this must be one element of a suite of measures with the strategy. Ensuring consumers have access to the right information and low-cost credit is also essential in facilitating “able to pay” demand.

HM Treasury should then look at extending the principle of embedding energy efficiency across the tax system, including incentives for those paying Inheritance Tax, Capital Gains Tax and Council Tax on domestic properties.

Improving energy efficiency is the “no regrets” solution to the energy crisis, climate crisis, and levelling-up agenda. Energy efficiency improvements reduce household energy bills, resulting in a sustained boost to the economy and consumption through increased disposable incomes in the long term. Some regions in the UK, for example the North East and West Midlands, have both a high volume of energy inefficient homes and high levels of unemployment. Investing in energy efficiency

will create jobs across the country, often in areas that need it the most – providing local jobs for local people. Retrofitting homes also improves health outcomes and is integral to reaching net zero.

Improving the energy efficiency of the housing stock has for too long fallen off the list of Government priorities. The rise in home and flexible working, coupled with increasing gas prices and the invasion of Ukraine, means that there is no longer any time to waste to reduce energy demand through improving the energy efficiency of our housing stock.

- **Is the Government doing enough to protect the high number of households likely to fall into fuel poverty as a result of high fossil fuel prices over the coming year? To what extent, and how rapidly, could energy saving or efficiency measures help to reduce reliance on oil and gas and relieve fuel poverty?**

With energy prices skyrocketing, many households will welcome the direct financial support announced by the Chancellor of the Exchequer on 3 February 2022. However, this is a short-term fix. The Government needs to address the wider issue – the UK has some of the most energy inefficient homes in Europe.

Households in fuel poverty comprise a significant part of the puzzle for improving the energy efficiency of England’s housing stock. Addressing fuel poverty is an area in which, with carefully planned and delivered policy, realising social justice and reducing carbon emissions can be achieved simultaneously. Alleviating fuel poverty is a worthwhile goal in and of itself as a means of improving the quality of life and health outcomes for the poorest and most vulnerable in society. It also provides economic stimulus opportunities – both through the creation of construction jobs and the increased disposable incomes of previously fuel poor households – that can help to boost local economies, and level-up across the country.

To help realise these benefits the RIBA recommends a National Retrofit Strategy must include all housing tenures. Focusing on low income and vulnerable households who cannot afford to upgrade their homes and heating systems must be a key part of this strategy.

Our recent report, [Homes for Heroes: solving the energy efficiency crisis in England’s interwar suburbs](#), highlights that in 2021, 17% of households in interwar suburbs – from Kingstanding to Becontree – were in fuel poverty, proportionally higher than the overall national rate of 13%. Largely due to their poor insulation, solid wall construction, and high gas reliance, many interwar homes leave residents vulnerable to soaring energy prices. Only 10% of interwar homes achieve an Energy Performance Certificate (EPC) above Band C. If current Band D rated homes were retrofitted to achieve Band C performance, households would save £483 per year under the 2022 energy price cap. By retrofitting some England’s most energy inefficient interwar homes, instances of fuel poverty will be drastically reduced.

### **Tax and the fossil fuel industry**

- **How can Government phase out support for fossil fuels whilst most effectively supporting households through the transition?**

In addition to a comprehensive National Retrofit Strategy, there is further action Government can take to support households.

*Improving the energy efficiency of England's building stock must become a national infrastructure priority*

To date, buildings have not been seen as part of the nation's infrastructure and have therefore been on the receiving end of less funding on the basis that energy efficiency improvements have not been funded as part of the Government's infrastructure investments portfolio. Infrastructure projects by HM Treasury are valued more highly on the basis that they are deemed to have higher private sector multiplier effects, meaning they are seen to offer better returns on investment.

Making energy efficiency a national infrastructure priority would have real benefits. It would lead to energy efficiency improvement investments to be considered, as is the case with other infrastructure priorities, on a longer time horizon than the 5 to 10-year cycles that dominate current policy discussions.

Broadening the time horizon on which the Government are considering energy efficiency investments would send a clear signal to the private sector of the direction of travel and would begin to help eradicate the stop-start nature of policy in this area which has often led to boom-and-bust cycles in the mostly SME retrofit construction sector.

*Local authorities must have the knowledge, skills and clout to improve energy efficiency in their local area*

Local authorities and social housing providers are active in delivering energy efficiency improvements but installing energy efficiency and low-carbon heating in these homes is subject to funding constraints.

The Government should urgently bring forward the remainder of their commitment to the £3.8 billion capital Social Housing Decarbonisation Fund. A retrofit revolution led by social housing landlords would not only cut carbon emissions and help fight climate change, but would also create jobs, support local economies, and help tackle fuel poverty – whilst helping to level-up across the country. Ramping up delivery of energy efficiency measures as a step on the way to decarbonising heat more fully, is something all local authorities with housing duties should do.

Local authorities also have the power to enforce Minimum Energy Efficiency Standards (MEES) in the private rented sector which makes up 19% of housing in England, a sector traditionally performing poorly on energy efficiency standards.

However, with local councils severely hampered by funding and capacity constraints, we are concerned that MEES are not being properly enforced. The Government ought to ensure that enforcement is fully funded at the local authority level. This means either providing a central allocation of funding specifically for building enforcement capacity in local councils, or by overseeing a cost-neutral means of enforcing the standards, such as through the charging of non-compliant landlords.

Local authorities can play an important role in providing advice and information for residents on energy efficiency and low-carbon heating options. Raising awareness of the transition to net zero needs to be undertaken in sequence with practical support and options for action, so that people are supported. Local authorities must work with delivery partners and community-based organisations to promote what works locally.