

Introduction

In November 2018, the BEIS (Business, Energy and Industrial Strategy) Committee launched an inquiry to examine what progress the UK Government has made in translating the energy efficiency aspirations in the [Clean Growth Strategy](#) into concrete, robust action. CIBSE [responded to this inquiry](#) and supports the [resulting report](#) which clearly states that,

‘A major upgrade of the energy performance of the UK’s entire building stock will be a fundamental pillar of any credible strategy to reach net zero emissions, to address fuel poverty and cut energy bills’.

The report also highlights evidence that shows energy efficiency investment presents an opportunity for further net benefits including; energy savings, cutting energy bills, economic growth, jobs, optimised infrastructure investment, competitiveness, NHS savings and avoided harm related to air quality. The aim is to feed in to the Government’s forthcoming update of the fuel poverty strategy; its series of ongoing consultations on energy efficiency policy; and its upcoming review on [Building Regulations](#). Key conclusions from the report are summarised as follows.

1. Delivering residential energy efficiency

- It is unacceptable that 18 months after publishing the Clean Growth Strategy the Government is yet to define the condition of “where practical, cost-effective and affordable” that it pinned to the **EPC Band C targets**. This serious flaw creates policy ambiguity that requires clarification.
- There is a **clear and considerable investment shortfall** to meeting the Government’s energy efficiency targets. If the Government does not address this deficit, it is likely to end up in contravention of statutory fuel poverty and climate targets. The Government cannot rely on market mechanisms alone to bridge the gap. The average annual rate at which homes undertake significant energy performance improvements in the UK needs to increase by a factor of seven.
- It is unacceptable for the Government to use the Energy Company Obligation (ECO) to mask its lack of commitment towards energy efficiency. The Government is encouraged to view **energy efficiency as a public good** that can unlock a full suite of public benefits, rather than a cost to diminish or outsource.
- Energy efficiency should be treated as a **national infrastructure priority**. It can transform the mindsets of policymakers and position energy efficiency as a public good that requires clear, coherent, coordinated governance arrangements, targets, a long-term action plan as well as sustained Government funding.

2. Fuel poverty policy

- **Central funding for fuel poverty is needed.** It is recommended that the Government follows the example of the devolved nations by supplementing ECO with central Government funding for fuel poverty.
- It is recommended that the Government develops a formula to **allocate central funding to local authorities based on need**. Local authorities should be subject to a new statutory

requirement to spend these funds on energy efficiency in vulnerable homes but should retain flexibility in how they do so.

3. Able to pay

- It is recommended that the Government publishes its **energy efficiency 'Action Plan'** without further delay to explain how it intends to meet its EPC Band C 2035 target.
- The 'Action Plan' should drastically **increase the £5 million allocated to the Green Home Finance Innovation Fund**, to underpin a coordinated demonstration programme that tests a comprehensive and varied package of incentives and finance mechanisms for the 'able to pay' market. This should include a Stamp Duty incentive and low-interest loans, in addition to green mortgages.
- The Government needs to **engage seriously with the retail banks** to put in place the necessary enticements to ensure that attractive energy efficiency products that can be delivered on a nationwide basis are developed.

4. The rented sector

- There are concerns that the current ceiling of £3,500 that is attached to the **Minimum Energy Efficiency Standards (MEES)**, allowing landlords to claim an exemption if works exceed this level, seriously restricts the scope of the regulations.
- It is recommended that Government **rigorously monitors enforcement of the MEES regulations** and properly resources local authorities to ensure that they have capacity to impose the standards. Currently, weak enforcement of the regulations by local authorities, makes them effectively valueless.

5. New build properties

- Any attempts to water down the **Future Homes Standard** should be blocked by the Government.
- It is recommended that the Government urgently **closes those existing loopholes** that allow homes to be built which do not meet the current minimum standards for new dwellings. It is highly regrettable that the Building Regulation regime enables developers to sell homes that do not meet the energy efficiency standards they advertise, with no risk of discovery.

6. Commercial buildings

- The **market is not delivering change at the pace needed** within the commercial sector and neither is the current regulatory framework. The Government should act swiftly to agree a trajectory for the ratcheting up of the Minimum Energy Efficiency Standards for commercial buildings.
- The strengthening of design ratings will not deliver the full energy efficiency potential available for commercial buildings. There is strong evidence that **mandatory operational ratings** can successfully reduce energy use. It is recommended that the Government moves to the public disclosure of operational energy data for the commercial sector, and the use of rating tools that focus on performance outcomes, from 2020.

Conclusion

Failure to tackle building emissions is contributing substantially to the slow progress to meet national emissions reduction targets. Approximately 19% of the UK's total emissions come from heating our buildings: homes comprise 77%; commercial buildings 14%; and public buildings 10%. Existing and planned policies for carbon abatement from buildings will not achieve what is required to meet the fifth carbon budget.

The policies advocated are not radical but are based on successful examples elsewhere. The problem is not a lack of evidence on how to stimulate energy efficiency uptake. There is simply a lack of political will. If the Government will not back energy efficiency, one of the cheapest measures to reduce emissions, it will not bode well for the other, costlier actions required for decarbonisation.

Taking action

For everyone working in the built environment, meeting the needs of our society without breaching the earth's ecological boundaries will demand a paradigm shift in our behaviour. Together with our clients, we will need to commission, design and maintain buildings, cities and infrastructures as indivisible components of a larger, constantly regenerating and self-sustaining system in balance with the natural world.

The research, expertise and design solutions exist for us to begin that transformation now. We are committing to strengthen our working practices to create building services engineering outcomes that have more positive impact on the world around us. For further information, please see the member-led initiative [UK Building Services Engineers Declare Climate & Biodiversity Emergency](#).