



Prime Minister  
10 Downing Street,  
London,  
SW10 2AA

10 March 2022

Dear Prime Minister,

**Re: Industry calls for energy efficiency to be at the heart of your new Energy Independence Strategy**

You have announced that you will soon release an Energy Independence Strategy, which you have also referred to as an Energy Supply Strategy. I'm writing to urge you to put Energy Demand Reduction at the heart of your strategy, not expanding fossil fuels. This will drive permanent energy security and reduce the country's exposure to volatile gas prices, lower household and business bills, fast-track the UK's transition to net-zero and boost your levelling up agenda.

This Energy Demand Reduction Strategy should start with cutting the vast amount of gas wasted by heat leaking from the UK's homes. One in every 6 tonnes of carbon emitted in the UK comes from our homes. There is huge potential for improvement. 19 million of the UK's 29 million homes are on the bottom rungs of the Energy Performance rankings with a rating of "D" or below. Improving these to band "C" would cut gas demand by 20% per home.

Many of the key policies and funding needed could be announced immediately in your Energy Independence Strategy and the Spring Statement.

1. Fulfil the £2bn of outstanding Manifesto funding commitments to the successful Home Upgrade Grant and Social Housing Decarbonisation Fund and Public Sector Decarbonisation Fund schemes and then scale those up.
2. Introduce financial incentives including removing VAT on refurbishment work; a variable stamp duty adjusted in line with the energy performance of a property; and adjusting energy VAT regimes in favour of low carbon sources.
3. Expand the Boiler Upgrade Scheme which is currently limited to 90,000 heat pump installations – a figure dwarfed by your Government's aim of reaching 600,000 installations per year by 2028.
4. Fund training for thousands of heat engineers and insulation installers.
5. Announce an earlier cut-off date for sales of gas and oil boilers of 2030 rather than 2035.

These are quick wins, but what is urgently needed is a strategic large-scale Government plan to systematically reduce energy demand and decarbonise all of the UK's homes. A pathway for this is set out in the UK Green Building Council's 'Net Zero Whole Life Carbon [Roadmap](#)', which has support from across our membership. This plan would help your Government plug key policy gaps such as the lack of support for owner-occupiers to upgrade their homes - a successor to the Green Homes Grant Scheme, but with sustained funding and designed to scale up over the coming few years.

**UK Green Building Council**  
Together for a better built environment

The Building Centre  
26 Store Street  
London WC1E 7BT

T 020 7580 0623  
E [info@ukgbc.org](mailto:info@ukgbc.org)  
W [ukgbc.org](http://ukgbc.org)

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The UK Green Building Council brings together over 600 member organisations from across industry and the public sector to accelerate progress towards a net-zero built environment that enables people and planet to thrive. Tens of thousands of heat engineers, insulation fitters, architects, electricians, product manufacturers, trainers and builders are looking for a consistent green light from Government to transform Britain's leaky homes.

We stand ready to work together with you to make that happen and to support Britain's energy security.

Yours sincerely,

A handwritten signature in grey ink that reads 'Hirigoyen'.

Julie Hirigoyen  
Chief Executive, UKGBC

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