

UKGBC feedback on the UK Infrastructure Bank Strategic Plan

Discussion Document

Introduction

The UK Green Building Council (UKGBC) is an industry network with a mission to radically improve the sustainability of the built environment, by transforming the way it is planned, designed, constructed, maintained and operated. As a charity with over 600 member organisations spanning the entire sector, we represent the voice of the industry's current and future leaders who are striving for transformational change.

We welcome the UK Infrastructure Bank's call for feedback on its Strategic Plan discussion document and its core objectives to drive regional and local economic growth and support tackling climate change.

We also particularly welcome the recognition in the document of the importance of tackling the emissions from heating buildings as a national infrastructure priority.

Prioritising retrofit

Decarbonising the UK's entire building stock with energy efficiency measures and switching to low carbon heat is mission-critical to meeting the UK's climate commitments. UKGBC recently produced a major new report – [Net Zero Whole Life Carbon Roadmap for the Built Environment](#) – which, for the first time, quantifies the carbon reductions required each year from buildings and infrastructure, including housing, to achieve the UK's 2050 net zero goal. The [policy recommendations](#) of the Roadmap set out the actions the Government can take to plug current gaps in the policy and funding landscape. First amongst these is the need for a properly funded national programme of home retrofit.

Slashing energy demand from homes will be key to insulating hard-pressed households and businesses from high and volatile gas prices which have no end in sight. This is particularly important in the poorest areas of the UK which also face the lowest quality of housing and highest levels of fuel poverty.

It will also support the UK's energy security in these times of conflict and competing international demands for gas.

A pound invested in cutting energy waste is the most efficient pound invested in the UK's energy system. It will reduce the need for additional generating capacity and for electricity network reinforcement.

Driving investment at scale into this work, in a consistent manner, has been the biggest challenge to progress. The UKIB can have a crucial role in supporting local and combined authorities, businesses and financial institutions to deliver a national retrofit programme.

We encourage the UKIB to prioritise decarbonising the built environment within its Strategic Plan with the following approaches.

- **Leveraging public funding for low interest loans**

The capital cost of domestic retrofit projects is largely prohibitive for the majority of owner occupiers. Leveraging available public funding and grants from the Treasury and other government

departments will be key to mobilising transformative levels of investment for zero or low interest loans to homeowners. This is an approach made by national infrastructure banks across Europe.

Coordination with national and local governments will allow the UKIB to prioritise projects with the greatest social, environmental and economic benefits, even where these may have longer pay-back times.

- **Mobilising private investment**

Many financial institutions are keen to invest in the decarbonisation of the UK's building stock. UKIB has a key role in leveraging this capital by bringing together diverse sources and developing vehicles for private finance to co-invest. The UKIB should take a joined-up approach with local authorities as trusted institutions with local knowledge about priority needs. They can develop, identify and signpost and 'shovel ready' investment opportunities and potential pilots that the UKIB can support.

- **A place-based approach**

A place-based approach to retrofitting homes and heat electrification will be key to ensure efficient coordinated planning with other infrastructure, to driving widespread take-up from households, and to levelling up areas that most urgently need support. It will be key to integrating both climate mitigation and adaptation measures, to ensuring community wellbeing is at the heart of projects and also to protecting nature.

Successful place-based approaches will require significant coordination between public and private stakeholders. Local and combined authorities are well placed to be the driving force behind place-based retrofit. The UKIB has a critical role to play too in supporting the connectivity needed to maximise investment.

- **Local Authority capacity building**

UKGBC works closely with a number of local and combined authorities to support them in capacity building to deliver retrofits for social housing, their own public building stock and home retrofit at scale in their areas.

A significant barrier for local government is revenue funding for skilled staff to develop investable projects and secure funding for them. The UKIB should play a strategic role in scaling up grant funding for skilled staff and technical assistance, as well as financing for retrofit projects at scale.

Hydrogen

We agree with your assessment that green hydrogen can have an important role for the decarbonisation of industrial clusters. There is considerable promotion of the idea that hydrogen can have a big role in the decarbonisation of home heating. We see little rationale for the widescale use of hydrogen to heat buildings, other than in areas surrounding industrial clusters.

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