



WWF *for a living planet*

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PARLIAMENTARY BRIEFING

Delivering a UK 'low carbon retrofit'

SUMMARY

- The UK's housing stock is responsible for 26% of our total carbon emissions. The average household in Britain (with an average EPC rating of 'E') emits over six tonnes of CO₂ every year. WWF is therefore calling for an ambitious programme of low carbon retrofitting across the UK's housing stock.
- WWF believes that the UK cannot meet its domestic Climate Change Act targets without tackling the emissions from the housing sector. Deep cuts in emissions need to be made across all sectors, and the housing sector must play its part.
- Homeowners have much to gain from low carbon retrofitting – warmer, more comfortable homes that are more efficient, cheaper to run and kinder to the environment. However, one of the principal barriers to homeowners tackling their carbon emissions is the upfront cost of energy efficiency measures.
- WWF believes that it is possible to retrofit our entire housing stock, if homeowners are given the right Government incentives. The Pay As You Save (PAYS) mechanism is one way to enable homeowners to carry out a broad range of low carbon measures.
- Tackling emissions from the existing housing stock will drive forward investment in the green collar sector, providing the necessary boost to stimulate thousands of small businesses in the in the low carbon, construction and technology sectors.
- WWF, as part of the Great British Refurb Campaign, is currently undertaking a low carbon retrofit project in inner Manchester to provide a real-life case study of what can be achieved in our homes with the right Government policies. For more information on this project, please visit www.greatbritishrefurb.co.uk

The UK's housing stock is responsible for 26% of our total carbon emissions, and WWF is calling for at least a 40% carbon reduction target to be set for the housing sector by 2020. The Government should take the opportunity to invest in improving the housing stock now, to avoid unnecessary burden on other sectors. In fact, tackling the housing sector is one of the cheapest and cost-effective ways to cut emissions compared to other sectors, which may require substantial investment in technological advances. Simply put, low carbon housing is the low-hanging fruit to making the necessary carbon savings in the UK.

www.wwf.org.uk/parliamentary



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Overcoming the barriers – and providing the right incentives

One of the principal barriers to homeowners tackling their carbon emissions is the upfront cost of energy efficiency measures and low carbon retrofitting. WWF believes that it is possible to retrofit our entire housing stock, but only if homeowners are given the right incentives to do so. WWF believes that the Government to introduce a suite of financial incentives including stamp duty rebates, council tax rebates, reduction in VAT on energy efficiency improvements and low interest loans tied to the property.

The current CERT scheme (Carbon Emissions Reduction Target) obliges electricity and gas suppliers to help homeowners to reduce their carbon emissions. The scheme already provides for some measures, such as loft insulation and cavity wall insulation, however it is heavily reliant upon homeowners installing measures it defines as 'cost-effective', i.e. cheaper to install. WWF believes that this must be extended to cover the more expensive measures, such as suspended wooden floor insulation, new A-rated boilers and particularly solid wall insulation. Given the urgency of the issue the Government needs to look beyond the short payback energy efficiency measures that feature in current policy and focus on a broader package of measures that will provide greater long term savings for homeowners.

Pay As You Save (PAYS) – a broader way to get both financial and carbon savings

The PAYS model is designed to incentivise home owner to make their homes more energy efficient by addressing the issue of the high upfront costs of the more expensive measures and low carbon retrofitting. PAYS spreads the cost of the work to ensure that there is no financial burden to the householder. The way this would work would be that the upfront cost of measures, for example £10,000, is paid for by a third party (such as a bank, retailer or local authority), not the consumer. The cost of installing these measures is then funded, over a long payback period, through the future savings made on that household's energy bills.

Investing in the green economy

WWF also believes that tackling emissions from the existing housing stock will drive forward investment in the green collar sector, providing the necessary boost to stimulate thousands of small businesses in the in the low carbon, construction and technology sectors. WWF believes that investment in the necessary jobs and businesses can lead to a twofold gain of higher environmental standards in buildings and improved skills and businesses better equipped for future challenges.

The Manchester Retrofit case-study

WWF, as part of the Great British Refurb campaign (supported by UK Green Building Council, Grand Designs Live, Knauf Insulation, Parity Projects and Dyson Insulation) is retrofitting a Victorian mid-terrace house in Manchester as a real case-study in what can be done for minimal upfront cost under the Pay As You Save model to a standard British home.

This project is intended to demonstrate to both policy makers and decision-makers a great example of what can be done, with no upfront cost to the householder, to turn around a draughty, energy leaking property into a cheaper to run, more comfortable, energy efficient home. With the right policies this could become the norm on every street in Britain. Work on the home includes solid wall insulation, loft insulation, under floor insulation, draught proofing, lagging of hot water pipes, energy efficient lighting, the installation of temperature controls and some basic water retrofitting measures. The total costs are just over £2000.

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