
Response by The Royal Society of Architects in Wales (RSAW)

The RSAW supports around 600 Chartered Members of our parent body, the Royal Institute of British Architects (RIBA), who live and work in Wales.

Following a consultation feedback session with RSAW members, we have some recommendations that we feel the committee should carefully consider. Our suggestions below are purposefully succinct, and we welcome the opportunity to speak with the committee to elaborate on any or all of the points raised:

- We have identified a [2013 report](#) by the UK Green Building Council which considered the possible merits of a range of retrofit incentives. Although almost a decade has passed since its publication, we feel its key recommendations are still relevant. Of the three key proposals advocated by the report, we would recommend for the committee to consider two of the ideas as set out in the report on pages 6-7. Both proposals are related to devolved policy areas and so would be achievable for the Welsh Government:
 - **Variable Stamp Duty:** A system of variable Stamp Duty (or Land Transaction Tax as its now called in Wales) rates would see house buyers receive a discount if a property is above a given energy efficiency standard, or pay a higher rate if its performance is poor. Based on homes' SAP (Standard Assessment Procedure) ratings, it would be relatively straightforward to develop a model that was revenue neutral. A key element of such a system would see a rebate offered for any household that undertook energy efficiency work within twelve months of purchasing a property.
 - **Variable Council Tax:** As with Stamp Duty (or Land Transaction Tax), Council Tax rates could be varied according to the energy efficiency of a property, with discounts for high performance properties and increased rates for those with poor energy efficiency. Such a design would allow the scheme to be revenue neutral. While the variable rates and baseline would be set centrally, it would be possible for individual councils to adjust the model to ensure that it reflected their particular housing stock (and therefore remained revenue neutral).

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- We recognise that both proposals would require all homes in Wales to undergo an energy efficiency evaluation (EPC report). We believe this in itself would be a valuable exercise as it would provide an overview of the energy efficiency of the housing stock in Wales. It is very difficult to set targets without knowing the existing collective energy performance of our housing stock.
 - We propose the setting of mandatory EPC targets (for example EPC C for owner-occupied homes by 2045) with transition periods and the development of a supporting infrastructure (training of qualified persons, grants, loans etc.) or the development of a route map for setting mandatory targets. Scottish Government, which has an ambitious domestic decarbonisation programme, has developed a route map with mandatory targets for private sector housing (e.g. EPC C for owner-occupier homes by 2040) and clearly identified transition periods (see their report [2018 Energy Efficient Scotland](#) for more details). Supporting the delivery of these targets is a policy infrastructure that includes an independent advice framework, a sectoral monitoring programme, a quality assurance framework, loans, grants etc.
 - We feel that there should be financial incentives in place (by way of VAT reductions) for homeowners to undertake retrofit works and that UK Government should be lobbied to change policy accordingly.
 - In the short term, we would like to see Welsh Government embark on a public awareness/educational campaign to demonstrate the value of retrofitting homes. This could be particularly effective in the present moment given the vast media coverage of the ever-increasing energy bills. Our members are well-placed to help with such a campaign.
 - We would also encourage guidance to be provided to small businesses offering energy retrofitting that sets out the priorities for short medium- and longer-term improvements. This might include encouraging FE colleges to provide easily accessed relevant training.
 - For the private rental sector, we would advocate for all landlords to have to undertake a minimum standard of works over a certain time period before re-registering with [Rent Smart Wales](#). Only properties that have met this threshold will be awarded a license. The effect of this proposal would be to ensure all privately rented properties meet a certain standard of energy performance.
 - We feel that landlords with larger property portfolios should have greater obligations placed upon them to enact changes to their properties.
 - We believe all privately rented homes should be fitted with a smart meter to allow tenants to easily see their energy consumption.
 - As a broad point, we feel that Welsh Government policy on retrofit needs to be coherent and joined up to be effective. Decarbonising private sector housing is challenging because apart from the technical aspects (issues of

current state of repair, moisture, quality of workmanship etc.) there are a range of financial, social and economic issues. One lesson to be taken from England's failed retrofit programmes (Green New Deal and Green Homes Grant) is that a single policy response won't address all of the issues. A successful programme will require the development of delivery frameworks for training, quality assurance, monitoring and will also require addressing ongoing issues like bottlenecks in delivery or lack of public response. (Westminster's response to these issues has been to shut down the programme and start again a few years later which undermines public trust and the ability of industry to redeploy to meet the challenge).

- To support the delivery of a coherent policy, the establishment of an industry task group (of which the RSAW and other industry bodies would be members) could facilitate ongoing industry contributions to the development of policy recommendations around decarbonising private sector housing.