



All Party Urban Development Group

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SPRING INQUIRY: CLIMATE CHANGE AND THE URBAN BUILT ENVIRONMENT CALL FOR WRITTEN EVIDENCE

WRITTEN EVIDENCE DEADLINE: 5 May 2008 (p.lucci@centreforcities.org)

**ORAL EVIDENCE: 12 MAY 2008, 2:00pm to 4:00pm
HOUSES OF PARLIAMENT (Committee room 13)**

FINAL REPORT: JULY 2008

PURPOSE

The fourth inquiry of the All Party Urban Development Group (APUDG) will look at what needs to be done – by both the public and private sectors – to 'green' existing buildings in Britain's cities.

The inquiry will focus on reducing the environmental 'footprint' of existing non-domestic buildings that are concentrated in our city centres and business districts. It will examine

- improving energy efficiency of existing urban buildings;
- barriers to reducing emissions from urban buildings; and
- the policy initiatives needed – including regulation, fiscal incentives, penalties and educational campaigns – to address these barriers effectively.

This inquiry's ultimate objective is to explore how Britain's cities can use innovative tools to deliver sustainable communities and move to the forefront of the fight against climate change.

BACKGROUND

There is no doubt about the urgency of responding to the threat of climate change.¹ The Stern Review² provided a compelling argument about the economic costs and risks of inaction.

Cities are critical to tackling climate change – they account for 75% of world greenhouse gas emissions. They contribute directly to the UK's carbon footprint through emissions generated by activities within buildings and facilities, transportation of people and goods, street lighting and waste management.

¹ See Intergovernmental Panel on Climate Change (2007) *Climate Change 2007: The Physical Science Basis* Geneva: IPPC.

² HM Treasury/Cabinet Office (2007) *Stern Review on the Economics of Climate Change* London: HMT.

Buildings alone generate slightly less than half of all CO₂ emissions – 20% from the 24 million residential dwellings in the UK, and about 20% from other buildings.³ In addition, the International Energy Agency and the UN Intergovernmental Panel on Climate Change have identified the buildings sector as the segment of the market with the largest potential for energy efficiency gains. Thus, reducing the carbon footprint of the built environment is one of the crucial policy measures needed to tackle climate change. Central government, city leaders, the voluntary sector and business all have a role to play.

Debate to date has mostly focused on the residential sector. Less attention has been paid to efficiency initiatives within the non-domestic sector, which includes large buildings with high levels of energy consumption, and involves big players within the corporate and property world. This inquiry will help to fill this gap by exploring how cities can work with owners and occupiers to reduce their carbon footprint.

As stated in Budget 2008⁴, the Government is now considering policy options to address carbon emissions from non-domestic buildings, with the overall objective of

- making new buildings carbon neutral by 2019, and
- improving the energy efficiency of and reducing carbon emissions from the existing stock.

The inquiry will focus on the second objective – reducing the footprint of our cities' *existing building stock*. While reducing carbon emissions from new stock is necessary, only 1 to 2% of commercial building stock is replaced each year. For policy to have a real impact, actions to reduce the environmental footprint of existing stock must be considered.

Detailed consultations are expected on these issues later this year. This APUDG debate will provide an opportunity for decision makers and business to present evidence and policy proposals, and influence government decisions in this key area.

THE INQUIRY

This inquiry will be structured around two main topics: the barriers to reducing emissions from existing commercial buildings and the policy initiatives needed to address these effectively. It will include contributions from local government, central government, non-profit organisations and key private sector players, such as building owners and occupiers. A summary of the most important issues to be considered under each topic is provided below.

Barriers to reducing emissions from urban buildings:

These include:

- *Lack of information:* How good is the data that owners/occupiers have about their energy usage, efficiency and carbon footprint? How far are they able to benchmark their performance against that of others? If owners/occupiers lack data about their building's energy usage, what is preventing them from getting it?

³ Carbon Trust, <http://www.carbontrust.co.uk/technology/technologyaccelerator/lcba.htm>

⁴ HM Treasury (2008) *Budget 2008 Stability and Opportunity: Building a Strong, Sustainable Future*. London: HMT.

- *Costs, benefits and barriers to owners/occupiers:* Even if a more comprehensive understanding of a building's energy usage could be achieved, what is preventing owners/occupiers from undertaking measures to use energy (heating and electricity) more efficiently or minimise energy wastage? What barriers (both economic and physical) do owners/occupiers face when considering the installation of low carbon technologies?
- *Costs/Benefits to the wider economy:* How important are the wider urban economic impacts of greening existing buildings? The majority of commercial property is occupied. A full scale retrofit would require temporary relocation for the occupants, with potential profit losses for the landlords and disruption to tenants' businesses. What are the likely impacts on cities' economies (for example in terms of job creation and business opportunities/costs in the property industry and other business sectors)?

Breaking down barriers to 'greening' urban buildings:

- *Addressing the lack of information:* What actions are needed at the industry level to produce the measurement standards needed? How can the Government support the industry in achieving this? Are there any current tools that could be adopted to improve energy measurement?
- *Addressing economic consequences:* If owners/occupiers face barriers to more efficient use of current energy sources, what policy changes would allow them to overcome these barriers? What are the comparative merits of regulation, market mechanisms, fiscal incentives/penalties and educational awareness campaigns?
- *Monitoring and enforcement:* How should policies to ensure carbon reduction be enforced? What is the most effective level of intervention for different policy options? Should it be addressed mostly through the planning system? Should they sit at national or city level? How can city leaders together with the private sector help deliver greener buildings?

INFORMATION AND SUBMISSIONS

Written evidence must be received no later than 5 May 2008.

To submit written evidence to the inquiry, please contact:

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