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Thank you for the final report of the Sustainable Buildings Task Group - 'Better buildings - better lives' - which was received by Government on 17th May.

The report provides a valuable and timely contribution to the evolving sustainable buildings debate within and beyond Government, and the direction it sets out will aid in taking rapid action.

We welcome the report's reinforcement of the need for the highest environmental standards to be applied more widely to the new and existing building stock if we are to help deliver our vision of a low carbon future. We have now considered the recommendations and their diverse implications across a wide range of Government policy areas. Our response to these recommendations is set out in detail in annex A.

We accept and support the desire for rapid progress alongside a need to ensure that implementation is planned with care. We wholeheartedly support the principle of the Task Group's recommendations and the majority of the means for

delivering these. We have already begun to put in place the relevant steps to take some of the recommendations forward. There are a number of other recommendations where further economic analysis is needed. All recommendations require full Regulatory Impact Assessments before we can commit in detail to specific action. These will be carried out at the earliest opportunity.

We call the whole of industry involved in buildings to demonstrate the ambition to meet the challenges set by the Task Group's recommendations. We are pleased to see that industry is already beginning to recognise the Task Group's point that industry as well as Government must take a central role in helping to deliver sustainable buildings. We are aware that several organisations have already responded to the Task Group report's call for action. For instance, the UK Timber Frame Association and the Steel Construction Sector Sustainability Committee have already commented on the report and offered support. We hope that the industry will continue to respond and take up the challenges laid down by the Task Group and we look forward to working in partnership on taking key recommendations forward. In particular we will be seeking industry's technical expertise as we look to establish and develop a Code for Sustainable Buildings. For example, we value the Building Research Establishment's contribution to the debate about how best to implement aspects of the report.


We welcome the report's recognition of the tremendous amount of work that is currently underway across Government to take forward the sustainable buildings agenda. This includes our Building Regulations and Planning Policy Statement reviews, the work of the Sustainable Energy Policy Network, the Kate Barker review of housing supply and the report by Sir John Egan on skills and training.

We firmly believe that this Government response constitutes the beginning and not the end of the process. You have both suggested that the Task Group be reconvened around the time of next January's Sustainable Communities Summit to take stock of the progress that has been made against the recommendations. We have agreed to this suggestion, and we shall look to convene such a meeting nearer this time.


Yours sincerely,



Margaret Beckett



John Prescott



Patricia Hewitt

Government response to specific recommendations made by the Sustainable Buildings Task Group

A summary of recommendations, with the relevant paragraph number from the Task Group report, precedes each section of the response.

A. CODE FOR SUSTAINABLE BUILDINGS

(2.4) A single national Code for Sustainable Building (CSB) be established. (2.9) the CSB be based on BREEAM and incorporate clearly specified minimum standards in key resource efficiency criteria (energy and water efficiency, waste and use of materials); (2.17) Government and industry set up, within three months, a joint venture body to develop and establish the CSB. Once the CSB is established the Group recommends that the management and maintenance of the CSB should be undertaken by this body together with the consolidated advisory bodies that emerge from the review recommended in para 1.8; (2.18) the public sector continue to lead the way by using the CSB on all its building projects; (2.19) for procurement of buildings, these standards (the common minimum standards for public sector procurement) should be aligned with the CSB; (2.20) the Government continues leading by example, and procures buildings on a whole life cost basis; (5.2) the Code for Sustainable Buildings should be developed to apply to major refurbishments

We support the Task Group's view that a level playing field is needed across industry and the public sector on the standards to which buildings can and should be constructed, and which could also allow for a consistent and comprehensive means of measuring such performance. Those involved in the building process, whether new build or refurbishment, should be encouraged, where appropriate, to reach higher levels of environmental performance than those stipulated by regulation. We believe that the Task Group's recommendation for the development of a Code is a constructive approach to achieving this. However, a decision on the most suitable body to take on long-term management and maintenance of any future Code will be taken once a full understanding of the resource requirements and impacts has been established. This will be one of the main areas for consideration by a senior steering group comprising representatives from across industry and Government.

We fully recognise the need to maintain the momentum on this agenda, and specifically the principal recommendation for a Code. ODPM, with support from DEFRA, DTI and OGC, will therefore take the lead for Government in immediately setting up a project team to establish the senior steering group and develop the Code. We believe that it is essential that there is full involvement of industry and other stakeholders in developing this Code. Therefore, in taking forward this work we welcome direct industry involvement in the project team as

it will be crucial that any proposed Code has the support and commitment of industry. The project team will consider carefully how best to involve all the relevant stakeholders.

We will work closely with local authorities and developers to ensure that a full-scale demonstration of how the Code will be applied in practice is available across the Thames Gateway, and in a range of other locations. The Senior Steering Group will be established as soon as possible and we aim to publish a first outline of the Code in time for the Sustainable Communities Summit in January 2005. Our aim is to complete the Code by the end of 2005, and to take action on the national rollout by early 2006.

It is essential that any Code is practical, cost-effective and flexible enough to be achievable by all. Part of the demonstration process will be to carry out a full Regulatory Impact Assessment and economic assessment. Also, as part of this, we will research into the standards, good practice and technical expertise already available and being promoted by industry. We will therefore look to ensure that we do not 'reinvent wheels' unnecessarily. As the report also made clear we will consider how best to build upon the excellent work already undertaken by BRE (Building Research Establishment) on BREEAM (BRE Environmental Assessment Method) as well as other work including our successful Millennium Communities programme on which we work with English Partnerships, to ensure there is synergy.

Planning and Building Regulations set the basic standards to which construction must adhere. Beyond that, the Senior Officials Policy Group (SOPG), chaired by the Office for Government Commerce, is working to set out common minimum standards that should apply to public sector procurement.

The SOPG's common minimum standards for the procurement of built environments are broad ranging and cover a wide range of issues across the entire sustainability spectrum and beyond. The standards will, once finalised, set out a series of requirements with which public sector projects will be expected to comply. Government will, as far as possible, seek to ensure that the Code and the common minimum standards are aligned.

Government already has considerable best practice guidance within the *'Achieving Excellence in Construction'* initiative, as well as overall targets for improvement in performance in the *'Framework for Sustainable Development of the Government Estate'*. This existing best practice already calls for all new build projects to achieve a BREEAM "Excellent" rating and for refurbishment projects to achieve "Very Good".

It is important that Government lead the way for public sector procurement but it is also crucial that industry is able and willing to participate fully. The development of the Code must look to test how best to achieve widespread buy-

in. However, the Code has the scope to be a vital tool in allowing a single integrated and focused assessment of sustainability performance.

The Government's aim is to help achieve a Code that is broad based, achievable and cost effective and which will allow Government, as a key stakeholder, to include it as a key part of OGC's Achieving Excellence in Construction best practice guidance. This forms the recognised best practice guidance on construction procurement for Government departments, supported as such by the National Audit Office, and will enable the Code to be used widely across the public sector. We shall also ensure that the Code is consistent with the Government's policy for renewable energy and considers the environmental impact of materials across their entire life cycle. Our intention is to examine the mechanisms that will maximise the take-up of the Code.

Government procurement policy, as set out in '*HM Treasury Procurement Policy Guidelines, Government Accounting Chapter 22*', make clear that all public procurement of goods and services, including works, is to be based on value for money, having due regard for propriety and regularity. Value for money is defined as being the optimum balance of whole life cost and quality (or fitness for purpose) to achieve the user requirements. The procurement of buildings must follow these guidelines.

We support the Group's view that there needs to be a focus on the existing housing stock if we are to achieve the savings and quality of build that we are aiming for. This will be a major consideration during the development of the Code.

In the meantime, and to assist with this consideration, ODPM has asked the Sustainable Development Commission to develop a project to explore ways to improve the sustainability of the existing building stock.

B. ADVISORY BODIES

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| <p>(1.8) Government should review the advisory bodies concerned with sustainable buildings to simplify and consolidate them and to provide clear direction to the industry. The focus for this consolidation should be the joint venture body that the Group recommends to manage and maintain the CSB.</p> |
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We agree that there is a need to improve the awareness of the roles of the various bodies, as well as improving the information flow between them. We shall therefore be taking steps to ensure that, in future, there is much greater co-ordination between the bodies. We shall be doing this by seeking a higher level of cross membership and also by relying much more on overarching bodies to provide representative views to Government.

We have also considered the recommendation that the various bodies be consolidated.

There are links here to work already commissioned by Defra, who are in the early stages of identifying the top 50 advisory bodies involved in Sustainable Development. This work is, at present, looking to provide some basic background information on the organisations, their status, sponsoring department and general remit. It will feed into the consultation phase of the UK Sustainable Development Strategy review, launched on 21st April. We will look to see if there are further opportunities for synergy between these workstreams. As announced by the Chancellor in the Spending Review 2004, as part of it's focus on improving business resource efficiency, Defra will be reviewing the customer focussed delivery arrangements of the Carbon Trust, Energy Saving Trust, WRAP and EnviroWise, all of which have interests in issues covered by the Task Group.

In considering this recommendation, we have not embraced bodies that are concerned with the very broad topic of sustainable development. Rather, we have considered just those bodies which have a particular interest in sustainable buildings, whilst recognising that many of those we have included, cover key areas of Government policy/ targets of which promoting sustainable buildings is only one aspect. Of necessity, this is a subjective judgement and so the listing at Annex B is meant merely to be indicative. In that listing, we have distinguished between those bodies established by Government, and those established by the professions, commerce and industry whose primary purpose is to advise their sponsor organisations.

Whilst it would be inappropriate for Government to try to impose some form of rationalisation on those bodies formed by the private sector, we recognise that industry has already identified the need to consolidate bodies. In particular the recent brigading of nCRISP and the Sustainability Forum under the aegis of the Strategic Forum is to be welcomed. We look forward to other industry groups considering how they too could further aid clarity.

The core listing of bodies established by Government is relatively small, with most covering a range of Government policy/ targets of which promoting sustainable buildings is only one aspect. It is important that they retain their interest in buildings if they are to do their job properly. Thus we can see advantages in maintaining them, provided that their roles are made clearer.

C. BUILDING REGULATION

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| <p>(3.2) If for any reason the (Sustainable and Secure Buildings) Bill should fall, Government should legislate at the earliest possible opportunity to ensure that the legislative objective is achieved. (3.4) Government should set out promptly how it intends to ensure this process is completed (the passage of the Sustainable and Secure Buildings Bill).</p> |
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We are optimistic about this Bill reaching the statute books as it is well supported inside and outside Government. We are working hard to support this Bill in its passage through Parliament. We cannot, of course, pre-judge the outcome of this Bill. It is therefore not possible at this early stage to draw up plans to prepare another Bill, should the Sustainable and Secure Buildings Bill not be enacted. However, should this Bill fall, ODPM will certainly look for other suitable legislative opportunities to take the Bill's provisions into law.

The Bill is currently in the House of Lords. It must receive Royal Assent by the end of October 2004 or it will not become law. The provisions dealing with sustainability issues will come into force two months after Royal Assent. The powers will be usable from then onwards.

It is at this stage that Government would set out the regulations it might wish to make under the new powers. The proposals would then be developed and subject to full public consultation. At that point a draft Approved Document (i.e. formal guidance on what was being proposed) and a draft Regulatory Impact Assessment would be completed. Both of these, understandably, will take time.

If the Bill is successful we will work hard to ensure that Regulations using the new powers are effective as soon as is feasibly possible after Royal Assent.

(3.5) The revised Building Regulations should specify a minimum percentage by value (at least 10%) of re-used/reclaimed/recycled materials in building projects.

Government is keen to encourage the use of re-used, reclaimed or recycled materials in building projects, and will look carefully to see whether this recommendation can be implemented effectively in a practical and cost-effective manner. Regulation 7 currently requires that building work should be carried out with adequate and proper materials. To be able to specify in building regulations that a minimum percentage of these materials must be of a specific type would be subject to a Regulatory Impact Assessment.

It is important to be confident that such a requirement does not drive procurement decisions at the expense of broader sustainability objectives. Impacts on wider Government policy and targets will also have to be assessed, as will the possibilities for enforcing any such measure, especially if there is a specific target, to ensure that the powers under the Building Regulations are appropriately used. If the Sustainable and Secure Buildings Bill is enacted this may also allow us to consider these issues further. We aim to consult on our proposals before the end of 2005.

(3.7) The Government should (a) enshrine in regulation by 2005 a 25% saving on average per capita water consumption. Similarly, a (b) 25% energy efficiency improvement under Part L, and the (c) provision of space for the

separate collection of recyclable materials in multi-occupancy buildings, should be delivered through the Building Regulations in the same timeframe.

(a) With regard to reducing water consumption the Deputy Prime Minister announced at the Better Building Summit in October 2003 that he would look to set national standards for water conservation on the same timetable as the revision of energy efficiency standards in the Building Regulations, i.e. by 2005.

Work is already in hand to establish the practicalities and costs of delivering increased levels of water saving. We do believe that achieving water savings of 25-30% are feasible.

The ODPM's Building Regulations Advisory Committee has been asked to consider the use of the Building Act 1984 for water conservation issues, and they have set up a working party to consider use of Building Regulations to include water conservation measures. This will be done in conjunction with the review of Part G (Hygiene) of the Building Regulations and will be subject to a full Regulatory Impact Assessment. It will be essential to resolve how any changes to the Building Regulations fit with existing requirements in the Water Supply (Water Fittings) Regulations 1999, which already set standards for the maximum water use of certain fittings and appliances. Defra's work to improve product standards through the Market Transformation Programme, should provide useful technical information to inform this regulatory approach.

As part of their work, BRAC have also been asked to consider what other mechanisms and options there are, alongside building regulations, for achieving the full savings we aspire to.

(b) In line with the commitments in the Energy White Paper the Building Regulations energy efficiency provisions are being reviewed with the aim of raising standards over the decade and bringing the next major revision into effect in 2005 whilst remaining proportionate, cost effective, sufficiently flexible for designers and free of unacceptable technical risks. Consultations are now proceeding and proposals for amendments in 2005 include provisions for low and zero carbon systems including the use of solar energy. The consultation will include a forward look to further improvements that could be introduced around 2010. We are therefore receptive to the Task Group's recommendation for a 25% energy efficiency improvement in 2005 and will take it into account in the review process.

(c) Part H6 of the Building Regulations deals with solid waste storage and the supporting Approved Document already requires space for storage of containers for both recyclable and non-recyclable waste. When this Part in the Building Regulations is next reviewed we will give this recommendation full consideration. We are also continuing to encourage the house building industry to look at planning in more efficient waste management strategies through best practice demonstrations from our Millennium Communities programme.

(3.9) Government should review the scope for introducing tighter minimum standards for the use of water fittings and appliances, in both new build and refurbishment of existing premises.

As well as including consideration of how changes to Building Regulations would impact on the Water Supply (Water Fittings Regulations), Government will consider this point carefully during the current review of Part G (Hygiene) of the Building Regulations. A full Regulatory Impact Assessment will be required.

(3.10) At the level of an individual building, Building Regulations should require modern standards of flood resistance and resilience for all construction within areas of flood risk.

The Building Regulations Part C (Site preparation and resistance to moisture) covers resistance to weather and ground moisture. ODPM has worked closely with DEFRA and the Environment Agency to develop guidance on flood resilience.

Defra will also be considering these issues further as part of its consultation in the Summer 2004 on the new Government-wide strategy for flood and coastal erosion risk management for England. This strategy also includes work to review the Building Regulations to help improve flood resilience of new and existing buildings, and to consider the inclusion of flood risk information in Home Information Packs.

Government will consider, carefully, the need for changes to the Regulations themselves as part of the next review of Part C.

In order to support such a review ODPM are considering a research proposal that deals with improving the flood resistance and flood resilience of buildings. This work will involve testing construction methods to ensure that they work in real flood situations; this is to ensure that any proposed guidance is technically sound.

(3.14) The Government and Local Authorities should review the enforcement of the Building Regulations to ensure the regulators have the resource and training to conduct reliable post-completion checks on a proportion of all new and refurbished buildings.

Government agrees that there are certain issues surrounding the enforcement of Building Regulations that could be considered further in order to strengthen and ensure correct implementation of the Regulations. The Energy White Paper makes it clear that Building Regulations play an important role in delivering improvements in energy efficiency. The planned consultation due in Summer 2004 on aspects of Building Regulations will include consideration of enforcement issues.

(5.3) Government should consider further amending Schedule 1 of the Building Regulations, extending their scope to cover a wider range of sustainability issues when refurbishing the existing building stock.

At present there is no power in the Building Act 1984 to amend Schedule 1 of the Building Regulations 2000 (as amended) to cover sustainability issues beyond the conservation of fuel and power or the conservation of water, whether in new or existing buildings. However, the Sustainable and Secure Buildings Bill currently before Parliament will, if it becomes law, enable the full range of sustainability issues to be addressed in Building Regulations and to be applied to existing buildings in many more circumstances than at present. Government is optimistic about the Bill becoming law as it has been well supported both inside and outside Government. If successful we will consider what scope there is for including issues surrounding sustainability not only for new build but also in refurbishment.

D. PLANNING

(4.8) Government should produce, as a matter of urgency, a best practice guide for delivering sustainable buildings to accompany PPS1 'Creating Sustainable Communities'.

Government is supportive of the principle of producing best practice guides, believing that these are a useful way of sharing knowledge and improving practice.

We therefore recognise the argument for this recommendation.

Consultation on the draft PPS1 finished on 21st May and we are currently considering and analysing all the responses. Alongside this we will consider carefully the points made by the Sustainable Buildings Task Group. In the first instance, we will need to concentrate on revising PPS1, but will consider what further good practice guidance could be produced to support the document.

To accelerate the delivery of high quality housing we will also consider the possibility of including eco-efficiency measures in the development of Urban Design Codes, currently being tested through a pilot project established by ODPM, in partnership with CABI and English Partnerships.

We are also consulting widely with stakeholders on the way forward with the recommendations which came out of the Barker review, which include specific proposals for the introduction of a planning gain supplement. We will make our approach on this clear in Autumn 2005.

Practitioners should also be aware that there is an existing guide, *'Planning for sustainable development: towards better practice'* (DETR 1998, reprint 2000).

(4.10) Government should investigate how the planning system could support better water management.

We will consider what further actions should be taken to support better water management.

Government believes that PPG 25 already strongly encourages the use of sustainable drainage systems. ODPM have been working with Defra, the Environment Agency, local Government and industry stakeholders in a National Sustainable Drainage Systems (SUDS) working group and developed an Interim Code of Practice that encourages the implementation of SUDS in new and existing developments. This provides basic guidance for practitioners on SUDS implementation and on the use of model agreements to make the adoption and allocation of maintenance for SUDS more straightforward. We aim to publish the Code of Practice shortly.

(4.12) Government should ensure that development and planning policy seeks to minimise, and where possible avoid adding to, the overall level of flood risk.

The Government introduced PPG 25 in 2001 with the specific aim of minimising, where possible, the overall level of flood risk. It contains strong advice to assess the impact of flooding on development and of the development on flooding and its risk-based sequential test gives priority to development in areas of lower risk. It aims to ensure that development is safe and not exposed unnecessarily to flooding and does not increase risk elsewhere. ODPM have scheduled a review of PPG25 for Summer 2004 and, as part of this consultation process, will adopt the SBTG recommendation as a main principle.

It is also proposed, as part of the review of the Town and Country Planning (General Development Procedures) Order 1995, that we will consult in the Autumn on extending the statutory consultee role of the Environment Agency to include areas notified by the Agency as at risk of flooding or likely to increase risk.

These issues will also be considered in Defra's forthcoming consultation on the new Government-wide strategy for flood and coastal erosion risk management in England.

E. RECOMMENDATIONS TO INDUSTRY

(3.11) Insurance companies should require that repairs to previously flooded property are made using flood resilient products and in a flood resilient manner.

Government recognises that making a building flood resilient will help minimise the impact of a flooding event, although whether it should be a requirement or a recommendation is likely to depend on a number of factors including risk faced. Defra will be addressing the issue of flood resilience in its consultation on the new Government-wide strategy for flood and coastal erosion risk management in England, due for publication in the Summer 2004. The new strategy is being prepared by working closely with a wide range of Government partners and external stakeholder organisations and will cover the next twenty years.

We welcome measures to encourage owners of existing buildings to incorporate flood resistance and resilience methods in their buildings and would welcome insurance companies' views on this during the consultation. The consultation will also ask how else owners of existing properties can be encouraged to use flood resistant and resilient materials. The Government has also issued more detailed guidance on flood resistant and resilient products, which can be found on the Environment Agency's web site.

(6.9) Industry should adopt more fully the use of Environmental Performance indicators, which measure waste, and to report annually on progress both in terms of uptake and improvement.

The Environmental Performance Indicators form part of a broader suite of construction measurement tools which are used as the basis of an annual report on construction performance across a range of issues including profitability, productivity and health and safety.

We welcome this recommendation and we are already encouraging the industry to make greater use of the environmental indicators which sit comfortably alongside the more general promotion of the Key Performance Indicators and project and business performance measurement. The Strategic Forum has added the performance of the product of construction to its core objectives.

In addition, the Barker Review laid down specific challenges to the house building industry to improve productivity, design and customer satisfaction. Increased efficiency through minimising waste would make an important contribution to improving the industry's performance.

We look forward to hearing back from the industry on their considerations and proposals for implementing this recommendation.

(7.5) The Construction Products Association (CPA) and the DIY suppliers in consultation with the Government's Advisory Committee on Consumer Products and the Environment (ACCPE) look at the feasibility of introducing an Environmental Product Declaration scheme for sustainable construction products and materials that is applicable to both the consumer and professional market and is relevant at both product and building level. Such a

scheme should be based on ISO 14020 in order to be internationally acceptable.

We welcome this proposal and planned further exploration by the industry. Encouraging more sustainable consumption and production is an important policy area in the UK, and Defra has made it one its five key strategic priorities. *'Changing patterns: UK Government framework for Sustainable Consumption and Production'* was launched in September 2003. A key element of the Framework is informed individual and corporate consumers, alongside encouraging wider take up of "corporate transparency", including environmental reporting and environmental management systems.

Clear and reliable labelling schemes can help both stimulate purchases of more sustainable goods, and promote the market for environmentally improved products. An environment product declaration scheme could potentially contain a lot of detail and might be more applicable in the business to business market. We would expect the CPA and DIY suppliers to consult relevant experts as they look at the issues in more detail - including, as the report acknowledges, our Advisory Committee on Consumer Products and the Environment who provide advice on policies to reduce the environmental impacts of goods and services. We will look to take any outputs forward in parallel with our Market Transformation Programme.

We look forward to industry coming up with proposals on what a scheme could look like and how it might work in practice.

F. TRAINING AND RESEARCH

(3.16) Government should, through the Learning and Skills Council (LSC) and Sector Skills Council (SSC), encourage sustainability in the construction industry through improved training and increased capacity.

Government recognises that the construction industry must be forward looking in developing its skills base, including sustainability aspects. Government officials have emphasised the importance of Skills for the Future with the LSC and the SSC. The Councils have accepted this as a key element of their forward strategies and that it is relevant to the Sector Skills Agreements being developed, although appropriate mechanisms for delivery will need to be considered carefully.

The Barker review highlighted a range of skills shortages in the construction sector and challenged CITB-Construction Skills and the industry to develop a strategy for substantially increasing the take-up of apprenticeships alongside improvements to the level and availability of training.

(2.13) There should be an emphasis by Government and industry on an integrated programme of built environment research to underpin the

implementation of its recommendations; (5.5) Government and industry jointly fund further research into cost-effectively improving the thermal efficiency of the existing building stock.

The Government recognises the need to radically improve the thermal efficiency of existing buildings. It is a vital component of Government targets for carbon savings and eradicating fuel poverty.

Research can have an important role in bringing forward, and raising confidence in new and emerging energy efficiency technologies and measures. By the end of 2004 Government will review their current research output, in consultation with industry where appropriate, to ensure that the development of research programmes is sufficiently integrated. However, we are already making good progress within this area. Government:

- has funded over £2m worth of projects aiming to improve sustainable refurbishment and benchmarking the whole life performance of buildings, including energy efficiency. Its current portfolio includes projects developing design guidance for the environmental refurbishment of residential towers and demonstrating how the environmental and social performance of existing housing can be improved during the refurbishment process. The SBTG report will help inform the development of priorities for future calls for proposals under the DTI Technology Strategy;
- is supporting the Carbon Trust who lead in low carbon technology innovation across all sectors, working in partnership with other funding bodies and venture capital funds to support a range of energy efficiency and low carbon technologies. Its Innovation Programme aims to accelerate the development of these technologies in the UK, and provides a funding continuum across the low carbon innovation process that invests in projects and leverages further funding. The Carbon Trust will be developing its Innovation programme, to ensure new low-carbon technologies will become available on the market in the coming decade, and beyond;
- will establish the National Centre for Sustainable Communities Skills, announced by the Deputy Prime Minister in April 2004, to promote world class skills sets for everyone engaged in the sustainable communities agenda, including those involved in sustainable design and use;
- is considering the scope for research to be carried out later this year on how local authorities are planning and implementing work to meet the Decent Homes standard. This will include how local authorities are improving the thermal efficiency of their stock to and above the standard and will inform the evidence base for assessing the impact of this work on carbon emissions and fuel poverty as well as the decent homes target; and

- is managing the English House Condition Survey which monitors how the condition and the energy efficiency of the housing stock is changing. This ongoing survey will continue to provide key evidence for assessing overall progress in improving the energy efficiency of the stock, alongside progress towards meeting our decent homes target.

G. ENERGY

(6.2) Existing buildings should have an operational rating, as this could help to identify inadequate building management. Such a requirement would encourage building owners/occupiers to improve their knowledge of their actual energy consumption.

ODPM has overall responsibility for implementing the EU Directive on the Energy Performance of Buildings, looking at both residential and non-residential premises. The Energy Performance of Buildings Directive, which has to be implemented in European Member States by 4th January 2006, will require building energy performance certificates (not more than 10 years old including an asset rating) to be made available when certain buildings are constructed, sold or rented out. It will also require larger buildings accommodating certain public organisations that deal in person with the public to have certificates including an operational rating updated on a regular basis and clearly displayed.

Proposals for implementation will be included in the Building Regulations Part L amendment consultation document due to be published in Summer 2004. Government will need to assess carefully the options for going beyond the requirements of the Directive. It may be possible, if the Sustainable and Secure Buildings Bill is enacted, to enable regular re-certification during occupation to be required more widely. However, we are not able to pre-judge the outcome at this early stage, and would also need to consider whether it is possible to develop appropriately tailored regulations.

(6.3) The Group supports the proposals for energy efficiency in the (Housing) Bill and recommends that similar requirements need to be applied to the sale of new houses.

We believe that proposals in the Energy Performance of Buildings Directive (EPBD), which has to be implemented in European Member States by 4th January 2006, will adequately deal with the requirement to make the level of energy efficiency of a home more accessible. The EPBD will require building energy performance certificates (including an energy rating not more than 10 years old), to be made available for dwellings (including new houses) and other buildings when they are constructed, sold or rented out.

H. WATER

(5.12) As part of the Government's consultation the Group recommends it assesses whether the same treatment (as the 'green landlord scheme') could be extended to water efficiency measures

Following the consultation on household energy efficiency, the Government announced and legislated for a new landlord's energy savings allowance which is targeted at improving the energy efficiency of the private rented sector. This measure provided an upfront capital allowance of up to £1500 on the installation of insulation materials. Any future decisions on those materials and technologies that are to be similarly incentivised by such an allowance would need to be considered taking account of the social, economic as well as environmental factors. The views of the Task Group will be taken account of when assessing the case for widening this incentive in the course of the normal Budget cycle.

(6.4) The Home Information Pack legislation be drafted flexibly to enable inclusion of water efficiency information at a later date when meter penetration and monitoring is more advanced. The same applies to the inclusion of wider eco-labelling of homes, including those built to the CSB. In the short term, the Home Information Pack should include detailed information on water issues, particularly water efficiency, from 2006.

Government is aiming to introduce home information packs throughout England and Wales from 2007. In preparation for this, ODPM has carried out a wide-ranging consultation on documents and information for inclusion in these home information packs, including information relating to water and other environmental matters. Responses to this consultation are being considered with key industry and consumer stakeholders.

We expect packs to include search information about water supply and drainage arrangements for the property. Where appropriate the energy efficiency section of the home condition report in the pack will include recommendations for improvements e.g. installing a condensing boiler for more efficient water and space heating.

The contents of the home information pack will be set out in regulations rather than on the face of the Act. This will enable the contents of the pack to be amended relatively quickly where changes in the housing market make this desirable. The Housing Bill provides that the Secretary of State must be satisfied that the information to be included in the pack is "relevant information", i.e. information that "would be of interest to potential buyers. The contents of the home information pack will be kept under review following implementation and the Secretary of State will consider any suggestions for additions (or deletions) against this criterion.

(8.5) Government should consider how to speed up the installation of water meters, particularly in areas of low water availability.

The Government fully recognises that increasing demand for water and climate change are placing greater stress on our water resources, driving the need to greatly improve the water efficiency of new and existing buildings. We recognise that water metering has a role to play as part of water companies' long term plans for balancing the supply and demand for water. Household water metering is steadily increasing under existing legislation that provides a right for customers to choose to be metered. Existing legislation already permits water companies to require metering for domestic customers in some circumstances, including those where water is being used for discretionary purposes. There is also a provision under which companies could apply to the Secretary of State to have their area designated as an area of water scarcity, in which they could impose meters on all their customers. As noted in the report, companies' recent water resource plans demonstrate that the industry is planning a significant increase in domestic metering by 2030.

(8.6) Water companies and their regulators should explore the potential for utilising more innovative tariffs, for example to charge at a higher rate for water used over a certain threshold, to encourage water conservation by domestic customers.

The Government supports the development of innovative tariffs by water companies to encourage sensible water use by their customers. The administrative costs of introducing such measures and the impact on vulnerable groups would have to be carefully considered, alongside the expected benefits in relation to water conservation.

(8.7) The Group also recommends that there is scope for a Water Industry counterpart to the Energy Efficiency Commitment (EEC), perhaps funded by a small tariff on water bills, and providing a range of services designed to improve domestic water efficiency.

The Government keeps under active review how best to encourage water efficiency measures, and will consider developing further mechanisms where these would add value to existing activities. It would also be for consideration whether it was appropriate to fund water efficiency measures by placing a further burden on customers' water bills, especially at a time when charges are expected to rise. Ofwat and the Environment Agency are currently conducting a joint review of demand management, which will consider the effectiveness of existing activities, as well as additional measures to improve water efficiency. The Environment Agency is exploring the case for a Water Saving Trust and an interdepartmental group looking into affordability is, among other things, considering whether improved water efficiency could help certain low-income groups. The review of water affordability is due to come to an end at the end of summer 2004 when there will be a report to Ministers.

I. TIMBER

(6.7) Government should provide the necessary short term funding to implement the CPET (Central Point of Expertise on Timber).

The Government remains fully committed to purchasing its timber from legal and, preferably, sustainable sources and believes that a central point of expertise on timber procurement (CPET) can play a key role in helping buyers, suppliers and Government meet the objective to implement the Government's timber procurement policy.

The CPET is a new concept and investment has to be soundly based. The full CPET service is being created in phases so that experience gained can be applied to future development. Phase 1 is a foundation stage that will establish robust definitions for legal and sustainable timber and a methodology for assessing contract compliance. A contract for Phase 1 has been awarded to ProForest and ERM. Work is due to be completed in September 2004 and will result in new timber procurement guidance being published. The detailed plans and resource allocation for Phase 2 will be considered in the autumn of 2004 with a decision expected by the end of November 2004. It is expected that the role of a CPET will develop beyond that of an advisory body for central Government buyers to include other public sector organisations in due course. It is hoped that suppliers to the public sector will find the CPET a valuable source of information too. The resource implications of expanding the CPET client base will need careful consideration. The extent to which a CPET could generate income from fees, sponsorship and other commercial activities is one of a number of options that will be investigated.

J. WASTE

(6.10) Government should consider using Site Waste Management Plans to encourage industry to improve resource efficiency and take a more responsible approach to waste management.

We agree with this recommendation. Tackling waste on construction sites has become fundamental to improving the overall efficiency of the construction industry. It has been given extra impetus by the need to encourage suitable construction, demolition and excavation wastes to be recycled as aggregate, and reduce waste material going to landfill sites, following implementation of the Landfill Directive.

We have therefore worked with industry to develop plans for waste minimisation on construction sites. The resultant voluntary Code: *'Site Waste Management Plans - Guidance for Contractors and Clients'* was launched by Nigel Griffiths MP, earlier this month. A proposal to introduce powers to create a statutory code has been included in Defra's recently announced Clean Neighbourhoods consultation.

(6.12) Government should bring forward the outcome of the waste permitting review without further delay. This will enable a single permit to be issued for remediation activities.

The waste permitting review has been carried forward since September 2003 by a dedicated Defra team although it has used a process of extensive informal consultation (with, among others, the remediation sector). The aims of the review were to (a) review how the permitting requirements of the Waste Framework Directive (WFD) and similar provisions in related EC legislation may be delivered in the UK and provide a regime that effectively and efficiently meets the needs of the public, the environment, affected industries and good public administration and minimises burdens on industry and the agencies, and (b) deliver a set of regulations to deliver (a). Government now expects to consult in late summer 2004 on Environmental Permitting Regulations which will introduce a new system of permitting for waste recovery and disposal operations and will provide for a single permit for land remediation activities.

K. FISCAL INCENTIVES

(2.31) Government should further consider tax credits or other financial or fiscal adjustments, which would enable development in accordance with the CSB; (8.2) New homes built in accordance with the CSB should be subject to a reduced rate of Stamp Duty; (8.4) Government should consider amending the Stamp Duty regime so that a rebate is made available to those homebuyers who carry out such works within a reasonable time frame. When sufficiently good information is available, this rebate could be extended to cover water efficiency investments.

Incentives for improving the environmental performance of buildings are routinely considered as part of the Chancellor's ongoing review of all tax policy, and the suggestions and views of the Task Group will be taken into account when taking decisions for the Budget.

The Government has already made significant progress in restructuring the fiscal system of the UK to increase the incentives for better environmental performance for buildings. Examples include the reduced rate of VAT which applies to the professional installation of insulation, enhanced capital allowances for the use of certain energy and water savings technologies and the newly introduced landlords energy saving allowance. As indicated in this year's *'Energy Efficiency: The Government's Plan for Action'*, in taking account of social, environmental and economic factors, the Government does see a role for the use of fiscal incentives to incentivise high environmental standards as an instrument for securing further development. In particular, the proposed green landlord scheme is an incentive that could be linked to the environmental standard of the individual property.

(8.3) Government should continue to negotiate in the EU to establish amendments to the VAT Directive that allows lower VAT rates to be applicable to a wider range of environmentally efficient products.

In line with the Task Group's thinking on this, in the current negotiations on the VAT Directive the Government has argued for a reduced rate of VAT on the purchase of energy saving materials and energy efficient products. However, this has not been agreed, and nor does it appear likely to be, by other Member States and as a Directive that governs the treatment of a tax, agreement must be reached by unanimity. The Government will however, continue to press for the necessary changes to allow greater flexibility in using VAT rates to incentivise the purchase of energy efficient products and energy saving materials.

Summary listing of Advisory Bodies

a) Bodies established by Government which are concerned with sustainable buildings include:

- Sustainable Development Commission (www.sd-commission.gov.uk)
- Carbon Trust (www.thecarbontrust.co.uk)
- Energy Saving Trust (www.est.org.uk/)
- Waste and Resources Action Programme (WRAP) (www.wrap.org.uk)
- Environment Agency (www.environment-agency.gov.uk)
- Advisory Committee on Consumer Products and the Environment
- National Non-Food Crops Centre (www.nnfcc.co.uk)
- Fuel Poverty Advisory Group
- Commission for Architecture and the Built Environment (CABE) (www.cabe.org.uk)
- English Partnerships (www.englishpartnerships.co.uk)
- Property Consultative Group
- Housing Corporation
- Countryside Agency
- Advisory Panel on Standards for the Planning Inspectorate (APOS)
- Building Regulations Advisory Committee (BRAC)
- Community Forum
- British Energy Efficiency Federation
- Disabled Persons Transport Advisory Committee (www.dptac.gov.)

This listing does not include regional bodies or those whose remit is principally within the devolved administrations.

b) Bodies not established by Government, but which are concerned with sustainable buildings include:

- Constructing Excellence (www.constructingexcellence.org)
- Strategic Forum for Construction (www.strategicforum.org.uk)
- Sustainability Forum
- Construction Industry Council (CIC), and in particular, its Sustainable Development Committee (www.cic.org.uk)
- Construction Clients Group (CCG)
- nCRISP (Construction Research and Innovation Strategy Panel) (www.crisp-uk.org.uk)
- Sustainability Alliance of Professions (www.sustainabilityalliance.org.uk)
- Water Regulations Advisory Scheme (www.wras.co.uk)