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**MINISTER FOR ENVIRONMENT SUSTAINABILITY & HOUSING**

**CIOB FORUM**

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**SPEECH**

**'The Road to Zero Carbon '**

## SPEECH

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### Introduction

*Noswaith Dda.*

*Diolch am y gwahoddiad i siarad gyda chi heddiw.*

Good Evening

I would like to thank the **Chartered Institute of Builders** and **The Concrete Society** for inviting me here this evening to talk about the road to zero carbon and the action needed to get us there.

Wales, and indeed the whole world, is facing one of the biggest challenges imaginable—the preservation of our planet for future generations. These are issues that cannot be put off until tomorrow and that require urgent immediate action -- **the planet can't wait.**

We may be a small country but the Assembly Government fully recognises its duty and is determined to show how Wales can be at

the forefront of the drive to be sustainable and to minimise the effects of climate change.

Being small does have its advantages—it enables us to move quicker than the rest of the UK and lead the way in the drive to reduce greenhouse gas emissions.

I see the Assembly Government as the lead body to encourage society to change its behaviour and attitude towards climate change, using policy changes where appropriate.

Effective public engagement and communication on Climate Change issues is very important and I have made this a major focus of our early work.

We all need to be committed to achieving the goals set and you can help us deliver sustainable, high quality buildings—we achieved a lot

last year but let's try and make 2009 a pivotal year in our drive along the road to zero carbon.

## **What is the Government Doing?**

### **We have set out the issues**

Earlier this year I asked the Sustainable Development Commission to set out the issues we have to confront in Wales and to map out a plan of action to tackle climate change in the built environment.

Late last year at the SDC Built Environment Summit in Cardiff, 42 companies, including a number of Architectural practices, signed up to UK's first green building charter committing themselves to support progress towards a built environment that contributes low or zero net carbon emissions as quickly as practically possible.

I am in no doubt that commitment to, and appetite for, change exists in Wales and is something we must harness.

The group led by the SDC ‘ my Coalition of the Willing’—has recently reported to the Climate Commission for Wales, identifying a number of key issues where action is needed.

- The need for clarity and engagement over what will be expected to allow business to plan for change
- The need for consistency in the messages being given out, the initiatives in place, to ensure we are all pointing in the same direction
- Better understanding of the costs of meeting higher standards and anxiety at a time of economic downturn
- Uncertainty over Building Regulations
- The need for a clear route map and milestones leading to change.
- Engagement with England and Europe to benefit from activity and learning on what, in spite of differing timescales, is a common agenda

These actions need to be addressed quickly.

We have already started to work with industry where the Assembly Government can influence standards but recognise that achieving a step change in the performance of all new buildings in Wales relies on devolving the building regulations.

We have had positive dialogue with the UK Government over the last 12 months and are in the final stages of negotiations, a decision should be made before too long.

The SDC report identifies a number of actions that I will want to consider further - but I am already convinced that we need to:

- Develop a focal point with links to UK Green Building Council and UK Zero Carbon hub
- Engage a coalition from across the sector.

- Ensure policy and action on the key themes of Energy efficiency, Energy supply, Skills and Training, Exemplars and Scaling up and Consumer engagement are coordinated, connecting the work on both new build and existing housing.
- maximise the opportunities of the EU programmes

### **We have introduced Sustainability Standards.**

The Code for Sustainable Homes has been adopted for all Assembly government funded housing -- currently at level 3 and BREEAM Excellent for non-domestic construction.

### **We are running pilot projects**

To help us understand better issues of cost, technology, buildability and robustness and consumer behaviour we have announced a pilot programme as part of the Registered Social Landlord development programme to build new homes to code levels 4 and 5 involving some 22 sites and 400 units. A similar programme of mixed use

projects supported by Assembly government funding and land is also in place.

The projects which are supported by the BRE and EST will provide important experience at a Welsh scale which will feed into proposed changes to future Welsh Building Regulations.

Some of you here today may already be involved in these pilots.

The continued absence of an agreed methodology for zero carbon is clearly an obstacle to progressing to true Zero Carbon.

Until we see the outcome of the current CLG consultation I have decided that given the uncertainty over the role of renewables and any role for offsetting our aspiration for homes will be code level 5 (100% improvement on current Building Regulations).

**We have established a Zero Carbon Support Programme**

This is intended to map and monitor activity acting as a bridge between policy and delivery with the emphasis on sharing of information, raising awareness to ensure engagement over the next 2 ½ years

The programme will liaise both across Assembly Departments and with external organisations to ensure activities are coordinated.

Current activity includes a series of awareness raising sessions for contractors and the professions.

### **We have looked at new Planning Policy**

The planning system has a key role in efforts to tackle climate change and sustainability both in terms of reducing greenhouse gas emissions but also in ensuring that our communities are able to withstand the current and predicted effects of climate change on Wales.

The recent consultation on Planning for Climate Change sets out how the Planning system can provide local planning authorities and

developers with a national approach to planning for climate change which also gives clear and national consistency--- a level playing field.

The consultation proposed a **national** policy to introduce sustainable building standards in planning policy, the use of local renewable and low carbon sources into new developments and flexibility in local development plans to accelerate the move towards our overall goal of zero carbon buildings and more sustainable developments.

The new policy will extend the use of the Code as the preferred method for assessing the sustainability of **new housing** built in Wales and BREEAM will be adopted as the preferred tool to assess the sustainability of non-domestic buildings.

The Code itself is an opportunity for house builders to go beyond minimum standards, not only in relation to carbon emissions but in other aspects of sustainability as well. It is also a signal for house

buyers to demand more. A voluntary Code does not however go far enough if we are to move towards Zero Carbon in Wales, sooner rather than later.

The consultation therefore proposed to set a minimum sustainable buildings standard for new housing development of 10 or more housing units at level 3 of the Code and the Building Research Establishment's Environmental Assessment Scheme (BREEAM) 'Very Good' for other buildings with a floor-space of 1000m<sup>2</sup> or more.

Secondly to encourage the use of renewable energy technology we consulted on a national minimum requirement for major development proposals to incorporate renewable and low carbon sources which equates to 10% of the regulated emissions **in addition** to the energy efficiency measures required by the Code.

Thirdly in recognition that planning is also about appreciating local circumstances and opportunities I wanted to give planning authorities the flexibility to set standards higher than the national minimum on certain **strategic sites**.

The new policy which we intend to be commenced in April 2009 will ensure that there is a level playing field across Wales.

Analysis of the responses to consultation is underway and our conclusions will be published in due course.

We are also currently carrying out research to look at the barriers and opportunities faced by local planning authorities in Wales to delivering zero carbon developments.

These policies however will only be successful if we deliver buildings that meet the new sustainability standards. To do this effectively and

efficiently will require the development of new skills and I am confident that the industry in Wales will rise to the challenge.

### **What about the Existing Stock?**

We all recognise that raising our game to design new sustainable development is crucial if we are not to **add** to current problem, but the current problem as attested by all the experts is a big one,

**40%** of emissions are attributable to existing stock.

The recent Green Building Council report on improving the existing housing stock (27% of emissions) called for urgent action to overcome what they saw as a lack of vision for low carbon homes; an industry not geared up to deliver low carbon refurbishment and a lack of occupier/tenant demand or action for low carbon homes.

During the past year local planning authorities in Wales received over 13,000 householder applications for alterations and improvements, extensions, porches and garage conversions.

The Federation of Master Builders campaign 'Building a Greener Britain' is calling for mainstreaming low carbon refurbishment and the need for building in energy performance improvement.

There are clearly opportunities but there are also obstacles not least the current VAT disadvantage that refurbishment suffers and the need to train and develop the predominantly SME based industry to deliver.

To increase awareness amongst householders we recently published 'Improving Your Home - A Climate Change Guide'. It contains 10 common projects and 20 measures for individuals to consider climate change when making improvements to their home.

This has gone out to all Local Planning Authorities in Wales and is being distributed by B&Q through its stores in Wales.

These may seem small steps but they will, I hope, start to change how people think about improving their home, critical if we are to reduce carbon emissions and increasing the resilience of the existing stock to the effects of climate change. Any change however small counts.

The National Energy Efficiency Saving Plan, which I have committed to publishing, will set out how we intend, within our devolved responsibilities, to start to tackle the existing stock.

Builders who specialise in building refurbishment projects will have a vital role in ensuring that carbon emissions are reduced in the existing stock.

## **The Credit Crunch**

I cannot end today without referring to the dramatic impact that current market conditions are having on the construction industry and whilst the immediate problem is to keep the industry employed it must not distract us from tackling the climate agenda.

Any opportunity to bring forward investment could also bring with it opportunities for early learning in the higher standards that the public sector is championing.

## **Closing remarks**

I hope I have left you in no doubt that we are totally committed to change and I hope you will join us in that commitment. You all have a key role to play in the supply chain and I am looking forward to working with you to bring about the changes I think we all agree are necessary.

Today we have a wealth of talented speakers and I hope you will leave this evening aware of the contribution each one of you can make to ensure our buildings and environments are sustainable and above all what you can do to help in the regeneration of Wales.

Thank you