

Shaping a low carbon future - our environmental vision

Speech by Ruth Kelly MP at the 'Towards Zero Carbon Development' event hosted by WWF on 13 December 2006.

Introduction

Thank you for that introduction. I am delighted to have the opportunity to speak to you today.

No-one over the decades has done more to raise awareness of how precious and fragile our environment is than WWF. And I am delighted that we have collaborated with you to produce the Regional Sustainability Checklists which are being launched by the South East England Development Agency and WWF today.

I pay tribute to Paul King and Stewart Baseley for the part you have played in promoting the debate on housing and climate change. And I am grateful for the attendance today of so many representatives from green groups and the housebuilding industry. I know how closely you have worked with us on today's announcements and I thank you for your continued support. It sometimes amazes me that there is such consensus for change.

Today's speech is about putting the environment - and tackling climate change - at the heart of everything my Department does.

I want to talk about three key principles for delivering better, more sustainable communities.

Firstly, the importance of new development - and new homes - being built to the very highest standards.

Second is the need to step up our efforts to make existing homes and buildings more efficient.

And thirdly, how crucial it is that central and local Government work together to take action on climate changes.

Tackling Climate Change: A responsibility for Government

Let us start by looking at the scale of the problem we face.

The scientific evidence of rapid climate change, the role that human activity is playing in this change, and the threat it poses to our quality of life is now overwhelming.

The recent Stern Review brought into sharp relief the need for urgent international action to prevent environmental catastrophe. It showed that taking action now is cheaper than waiting to deal with the impact of climate change.

Today not only scientific opinion, but also the British public at large, overwhelmingly recognise the reality of climate change.

And Stern was clear: even though the UK is responsible for a small share of global emissions, we cannot afford to delay domestic action while we wait for an international consensus. We must continue to show leadership.

The Government is committed to responding to this challenge both at home and abroad. Internationally, we will continue to push for the agreement of all countries to halt and then reverse greenhouse gas emissions. Domestically, our Climate Change Bill will enshrine in law our commitment to cut carbon dioxide emissions by 60 per cent by 2050.

This is an ambitious target but it is necessary. Meeting it means looking hard at how we produce energy. How we use transport. How we harness technology.

And crucially, it means new policies in the areas in which my Department leads: planning, building regulations, local government.

I believe that achieving our environmental goals can go hand in hand with our pursuit of social justice and equality of opportunity.

Housing and social justice

Nowhere do all these priorities come together as closely as in housing policy. Building the homes we need for future generations whilst tackling climate change is one of the most complex environmental challenges facing the country.

Kate Barker's 2004 report into housing supply in the UK outlined the stark reality facing our children if we do not respond to the pressures posed by our growing, ageing population.

It made clear that, unless we intervene, only a third of young couples will be able to afford a home of their own in 2025.

Part of our response must be to build more homes. And thanks to Government action, and the efforts of the housebuilding industry. Housebuilding is at its highest level since 1990.

Housing is also central to tackling climate change. Heating and running our homes produces over a quarter of the country's emissions.

So we need to act on the existing stock, and I will outline our approach to that in a moment.

But it is also about the homes we build now. For around a third of the housing stock in 2050 has yet to be built. So the steps we take on new homes really matter.

New Standards for New Homes

So here is my first principle: new housing must conform to the highest environmental standards.

That is why we are publishing a consultation on progressive changes to building regulations to get us to zero-carbon new homes by 2016.

This will cut our carbon emissions by around 7 million tonnes a year by 2050. That's equivalent to around 20 per cent of housing emissions. Or, to put it another way, more than the total emissions from the 8 largest English cities outside London.

And, of course, there will be benefits for those who live in the homes. It will mean highly energy-efficient homes that are cool in summer and warm in winter. It will save money for families, and help the planet through extensive use of renewable sources of electricity.

Some have questioned whether this is ever going to be possible. But it is no pipe-dream. It is already happening as the Chancellor and I saw yesterday with Steve Harris at the BowZed development in East London.

BowZed showed me what a zero carbon development can look like and how it can work for ordinary families. It delivers low fuel bills and a warm, well-designed home. In fact, some people are in credit on their electricity bills because they are producing more than they are consuming.

Developments like BowZed show the way ahead. But we can't expect a major transformation for all new homes overnight. That is why we will introduce new standards in three steps. The first step, in 2010, will mean that homes must be built to the very highest energy efficiency standards. The second and third steps, in 2013 and 2016 will require increasing use of renewable energy sources.

Of course there will be additional costs. But the gradual introduction of these changes will give business time to adjust and innovate to drive those costs down.

This shift towards zero carbon homes will be supported by three measures.

The first is a fiscal incentive. The Chancellor's announcement last week that he will exempt zero carbon homes from stamp duty will give a significant boost to take up.

We have seen before how incentives like this can create and reinforce new markets.

Six years ago, low sulphur petrol went from being almost unknown to dominating the market in a matter of months. All because the Chancellor cut the duty by 2 pence. I believe we will see something similar with zero carbon homes over the next decade.

The second measure is our new Code for Sustainable Homes, published today.

The Code will transform how we plan, build and choose new homes, placing a far greater emphasis on tackling climate change.

It will bring a new low carbon consumerism to house-buying, through the first 'green' star-ratings for new properties.

These ratings will act as a strong incentive for developers to market properties in a distinctive way. And we have proposed that these ratings will be mandatory for all new homes from April 2008.

They also respond to what the public wants. Research suggests two thirds of consumers are more likely to buy products with a low carbon footprint.

Planning and greenbelt

The third measure is planning. We need to fully address climate change in the planning process. The first-ever national planning policy statement for climate change will help achieve this.

Kate Barker published her independent review into planning a week ago. It included challenging yet thoughtful reflections on the role of planning in responding to globalisation and climate change.

Some have characterised her report as a licence to concrete over the countryside. I think that's completely unfair. Indeed she actually stresses the benefits of our system - including our policies to build in town centres first, and defend green belts.

And let me be absolutely clear - sustainable development remains the fundamental purpose of the planning system.

We agree with her that the principles of the green belt approach remain valid. Of course we must be alive to the downsides of green belt policy that Kate Barker identifies, such as commuters "jumping" green belts because they cannot live nearer to town centres. Such problems can actually increase travel and emissions.

My view is that existing green belt policy has served us well, and I am yet to be convinced that substantial policy changes are needed.

But planning also needs to be fit for the twenty first century. It needs to be able to respond to pressing needs. It must do this through real consultation with communities, and with a proper assessment of environmental impacts. Our statement on climate change will help planning achieve these goals.

I will consider the Government's response to Kate's Review in this light.

Our new statement explains how development must be located and designed to reduce the need to travel, cater for low carbon local energy supplies and protect biodiversity in a changing climate.

Importantly, the statement should also help create communities able to withstand the effects of climate change - through greener, cooler cities and better flood planning.

Water efficiency

Of course carbon emissions are not the only impact households have on the environment. Water efficiency will be increasingly important over the coming decade too. We want to be ambitious in this regard as well.

There is a great deal that can be done with simple, easy measures - such as fitting dual flush toilets. But we need to get the approach right. That is why we are also consulting today on bringing water efficiency within the scope of building regulations.

Existing stock

Our ambitions are not restricted to new homes. Homes built today are already three times more efficient than the average existing home. Our recent review showed that cost-effective measures on existing homes could save a further 17 per cent of housing emissions by 2050. So we need to do much more.

So here's my second principle. We need to make it easier for people and businesses to make the right choices.

People are already realising that small measures can make a big difference. The Energy Saving Trust says that turning down heating by one degree can reduce emissions by around 5 per cent.

And condensing boilers can save householders as much as £240 a year from their bills.

One way Government can help is by giving people the information they need. From June, Energy Performance Certificates will be a compulsory part of the new Home Information Packs. By 2009 we expect almost every building in the country to have an Energy Performance Certificate when built, sold or rented out.

I believe that we should also consider the case for measures in the commercial property sector, and I hope that further measures on existing buildings - both homes and commercial premises - will be forthcoming as part of the Energy White paper in March next year. A recent CBI survey showed that 75 per cent of firms were prepared to pay more for environmentally friendly buildings, so we want to work with the grain of the market - not against it.

Working with business

It is clear that the changes we need will not happen without business playing its role. Here again, I think the role of Government is to help make the right choices easier. Environmental industries are vital to the economy, employing some 400,000 people in the UK. I want to see this sector flourish.

One way we can do that is to grow and sustain the market for environmentally sustainable homes. To stimulate the creation of this new market, all new homes built by the Housing Corporation and English Partnerships will be built to Code Level 3.

This represents the biggest ever single investment in energy efficient homes, and will create estimated savings of more than 11,000 tonnes of carbon a year and over 2.5 million litres of water a day.

And a new competition for affordable, sustainable homes - to be announced by English Partnerships in the new year - will challenge developers not only to build at low cost and high quality, but also to low carbon standards.

I have also asked John Callcutt at English Partnerships to take on a new role, working with industry, to improve housebuilding delivery in a low carbon environment.

A message about building regulations

Given the need for long-term certainty, we need to consider further the role of the building regulations. We have listened to housebuilders who argue that the sheer volume of guidance and frequent changes makes compliance difficult.

I want to consider a clearer, simpler system, with a renewed focus on the environment.

The key role of local government

My third, and final principle for tackling climate change, is that local and central Government must work together.

Tackling climate change will alter our daily lives and bring changes to how our communities look and feel. Central Government must set an ambitious direction. But we will need action at all levels. Local Government's crucial role will be to find solutions that work for local communities.

We need to find a careful balance between the two. On the one hand, long-term certainty for business to help them invest. On the other, we need to give local government the freedom to implement and innovate as they know best for their local communities.

Of course, many authorities are already taking the lead. Some 140 have signed the Nottingham Declaration on Climate Change, pledging to work towards delivering our national emissions targets. And nearly 50 local authorities now have a requirement for renewable energy in new developments, with many more working up proposals.

And Ken Livingstone is showing how much cities can do. There is potential for local government to make a real difference on climate change and I want to work with the new LGA Commission to help more councils and cities make a high-level commitment to tackle climate change.

Conclusion

Taken together, the package of measures announced today represents a compelling first step - saving some 5 per cent of national carbon emissions by 2050 from new housing alone, with more to come from existing housing and through local government action. It's an ambitious target. But it is also one, after the conversations I have had with all parts of the industry, I really think we can achieve. What I personally can promise is that my Department will continue working with you all as partners, to help deliver homes which are not just great places for families to live but also great homes for the planet.

Thank you.

Speech by Ruth Kelly MP on 13 December 2006.