



# Environmental Audit Committee

House of Commons, London SW1A 0AA

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Rt Hon Andrea Leadsom MP  
Secretary of State  
Department for Business, Energy & Industrial Strategy  
1 Victoria Street  
London  
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4 November 2019

## **Aligning the government estate with net zero emissions**

Dear Secretary of State,

The Environmental Audit Committee has been conducting an inquiry into Net Zero Government, looking at the actions required to align the wider government estate with net zero emissions by 2050 or sooner. Since the inquiry launched, the Committee has received 32 pieces of written evidence, conducted case study visits to seven sites with a range of functions across the wider government estate, and held three public evidence sessions. The most recent evidence session was with officials and Ministers from BEIS and Cabinet Office.

Due to the dissolution of Parliament there will not be time for the Committee to issue a report on this inquiry. I am therefore writing to you to share some of the key findings of the inquiry so far. I would be grateful if you or your successor in the next Parliament could consider how Government intends to respond to the issues raised by the inquiry.

### **Leadership**

The Government's evidence to the inquiry highlighted the importance of strong leadership: "while the public sector is only 2% of UK emissions, it can play an important role in demonstrating leadership, as well as acting as a catalyst for investment by other parts of the economy."<sup>1</sup> Written evidence from the Tyndall Centre for Climate Change Research & Centre for Climate Change and Social Transformation emphasises the role that this leadership can play in inspiring wider behaviour change: "staff, stakeholders and the public follow genuinely committed leaders when going about their work, enacting policies, and in their personal lives when leaders exemplify an ethos of 'do as I do'".<sup>2</sup> Written evidence from the IGov Energy Policy Group at the University of Exeter urges that "Government should be leading by example and setting targets to achieve net zero long before the overall national goal of net zero by 2050", and recommended a net zero target of 2030 for government operations and estate.<sup>3</sup>

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<sup>1</sup> Written evidence by BEIS, GGC0019

<sup>2</sup> Written evidence by Tyndall Centre for Climate Change Research & Centre for Climate Change and Social Transformation, GGC0012

<sup>3</sup> Written evidence by IGov Energy Policy Group, University of Exeter, GGC0028

The Minister of State for Business, Energy and Clean Growth, Kwasi Kwarteng, stated that “we need to have a cross-Government approach if we are to be serious about meeting the [net zero] target.”<sup>4</sup> The Committee welcomes Minister Kwarteng’s assurance that achieving net zero emissions on the 240,000 properties on the wider public estate will be on the agenda for the first meeting of the Cabinet Committee on Climate Change, chaired by the Prime Minister.<sup>5</sup> We would welcome clarity on the membership of that committee which was announced but has yet to meet.

### **Reducing emissions on the estate**

The Committee received many recommendations about ways to reduce emissions on the wider government estate. These included actions to reduce energy demand (such as LED light bulbs, low-heat recovery, reduced air travel), decarbonising the estate’s energy supply (such as decentralised heat and power networks, photovoltaics and heat pumps) and greenhouse gas removals (such as land use change and forestry). However, there were two recurring issues that were raised as integral to reducing emissions on the estate: measuring emissions and training staff.

Minister Kwarteng agreed with the Committee that “targeting and measuring is absolutely essential” to decarbonising the estate.<sup>6</sup> Director of Modern Energy Partners, Nick Smailes, told the Committee that “you need telemetry, baseline and monitoring if you want to know you are going to hit your targets” but pointed out that many government sites have only a very limited (and sometimes inaccurate) understanding of their on-site energy use.<sup>7</sup>

Written evidence also emphasised the importance of training staff to ensure that their actions were aligned with movement towards net zero emissions. The Alliance for Sustainability Leadership in Education stated that “all staff must receive carbon literacy training. This must be a mandated requirement. It is relevant to every single job role within Government and net zero will not be achieved by anything less than everyone playing their part.”<sup>8</sup> In addition, the Committee heard that further specialist training would be required for estates management and procurement staff whose actions were essential to aligning the wider government estate with net zero emissions. The Minister for Implementation, Simon Hart, told the Committee that there was not a coherent policy across all departments to ensure that everyone was trained to the same standard in line with net zero emissions, but added that there should be.<sup>9</sup>

### **The estate’s maintenance backlog and funding**

The Committee heard that actions to decarbonise the wider government estate had to compete with projects for primary services for funding within Capital Departmental Expenditure Limits (CDEL funding). We heard that this was complicated further by a substantial estate maintenance backlog (including a £6 billion maintenance backlog in the NHS estate and a £900 million maintenance backlog in the prison estate).<sup>10</sup> Practitioners highlighted that without ringfenced CDEL funding, budgets that might otherwise

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<sup>4</sup> Minister Kwarteng, Q272

<sup>5</sup> Minister Kwarteng, Q166

<sup>6</sup> Minister Kwarteng, Q258

<sup>7</sup> Nick Smailes, Q151

<sup>8</sup> Written evidence from The Alliance for Sustainability Leadership in Education

<sup>9</sup> Minister Hart, Q197

<sup>10</sup> Professor Mike Kagioglou, £6bn maintenance backlog in NHS infrastructure could risk lives, October 2019; Lord Lee of Trafford, Oral Question to the House of Lords: to ask Her Majesty’s Government on replacing Victorian-era prisons with more modern facilities, 29 October 2019

go towards decarbonisation initiatives are immediately absorbed in reactive measures to address issues resulting from the maintenance backlog, that would inhibit the institute's primary function.

One option for funding decarbonisation activities is through the Government's SALIX funding. Director of Modern Energy Partners, Nick Smailes, recommended that giving more flexibility and extending the payback period for SALIX funding to 10 years might help actors on the government estate access funding for more complex decarbonisation projects with longer payback times.<sup>11</sup> Minister Kwarteng told the Committee that he "fully shared" the view that "it seems slightly unnecessary—unhelpful, should I say—to be limiting [SALIX] loans if there are critical bits of infrastructure that need the financial support."<sup>12</sup>

## **Procurement**

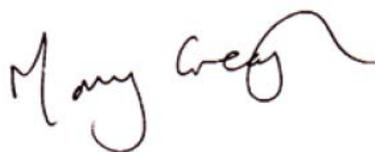
Government spends £49 billion every year on contracts for goods and services.<sup>13</sup> Written evidence emphasised that Government needs to ensure that all procurement decisions are aligned with net zero emissions, considering the full life-cycle emissions of the goods and services.<sup>14</sup> Written evidence from the Mineral Products Association stated that as one of the largest procurers of goods and services in the UK economy, Government can help stimulate investment confidence in novel technologies."<sup>15</sup> However, written evidence from ENGIE UK observed that "existing procurement processes do not provide adequate support and encouragement of joint ventures and partnerships between Government and the private sector."<sup>16</sup>

The Committee heard that the Government Buying Standards included some emissions-related criteria, and that Government was looking at amending Treasury Green Book definitions to incorporate emissions reductions. We believe that Government has a role in driving change through its procurement practices, and suggest that government considers amending the Treasury Green Book and the Government Buying Standards to include mandatory sustainability criteria based on robust life cycle analysis of emissions.

I trust that you or your successor will set out a road map to align the wider government with net zero emissions before 2050, and will write to our successor Committee outlining your intended actions.

I am copying this letter to the Chancellor of the Duchy of Lancaster.

Yours sincerely,



**Mary Creagh MP**  
**Chair of the Environmental Audit Committee**

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<sup>11</sup> Nick Smailes, Q160

<sup>12</sup> Minister Kwarteng, Q273

<sup>13</sup> Gov.uk, Government Commercial Function, [date accessed 08/09/2019]

<sup>14</sup> Written evidence from ENGIE UK, written evidence from the Mineral Products Association (MPA), GGC0015

<sup>15</sup> Written evidence by the Mineral Products Association, GGC015

<sup>16</sup> Written evidence by ENGIE UK, GGC0025