



## Climate Change Bill - Consultation

### RESPONDENT INFORMATION FORM

**Please Note** this form **must** be completed and returned with your response.

Are you responding as an individual or an organisation?

- Individual  
 Organisation

Full name or organisation's name

Scottish Property Federation

Please specify organisation type (if applicable):

- Community group or organisation  
 Third sector organisation  
 Private sector organisation  
 Academic or research organisation  
 Public Body, including Local Government, Executive Agencies etc.

Other – please state...

Trade Association

Phone number

0131 220 6304

Address

6<sup>th</sup> Floor  
3 Cockburn Street  
Edinburgh

Postcode

EH1 1QB

Email

mcatterall@bpf.org.uk

The Scottish Government would like your permission to publish your consultation response. Please indicate your publishing preference:

- Publish response with name
- Publish response only (without name)
- Do not publish response

**Information for organisations:**

The option 'Publish response only (without name)' is available for individual respondents only. If this option is selected, the organisation name will still be published.

If you choose the option 'Do not publish response', your organisation name may still be listed as having responded to the consultation in, for example, the analysis report.

We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

- Yes
- No

## Consultation Questions

**Question 1. Do you agree that the 2050 target should be made more ambitious by increasing it to 90% greenhouse gas emission reduction from baseline levels?**

**Yes No (please explain your answer)**

The SPF will continue to engage collaboratively with the Scottish Government and other stakeholders on the proposed work programmes and the development of more detailed proposals for the Bill. We agree that there are a number of cost effective ways to achieve significant savings in money and energy in many non-domestic buildings. The catalyst needed to achieve these savings is for individuals and businesses to change their behaviour and to prioritise practical changes to the use and consumption of energy within their building.

A balance needs to be struck between sustainable economic growth and carbon commitment targets. SPF members remain concerned at the impact – and the nature of possibly contradictory legislation and policy. For example, a retail complex will produce an EPC certificate but a requirement to install electrical charging points for cars has the potential to more than double the output as stated in the EPC certificate. There is also the continuing issue of the impact on listed buildings.

There should also be consistency in the methodology of measuring energy efficiency used between England & Wales and Scotland. If the assessment of efficiency is more onerous in Scotland than the rest of the UK or globally this could potentially make Scottish commercial property investments less attractive to investors.

**Question 2. Do you agree that the Climate Change Bill should contain provisions that allow for a net-zero greenhouse gas emission target to be set at a later date?**

**Yes No (please explain your answer)**

A key issue is a clear trajectory and timeline of what will be expected and when. This has been a continuing concern of our members. For example, it may be cheaper to undertake several improvements at a specific date in time. The s63 Climate Change Scotland Act (CCSA) Regulations have just been implemented but there is now the prospect of further regulation and obligations from 2020.

Regulations may trigger a substantial impairment to Scottish non-domestic property values, including a significant impact for public sector assets, which tend to be larger properties and there is little evidence thus far of energy efficiency improvements achieving improvements in value. There is real concern that values might be reduced as purchasers (and potential tenants) require improvements or price adjustments to be made to meet legal and commercial obligations.

**Question 3. a) Do you agree that the 2020 target should be for greenhouse gas emissions to be at least 56% lower than baseline levels?**

**Yes No (please explain your answer)**

Please see our response to questions 1 and 2 above.

**Question 3. b) Do you agree that a target should be set for greenhouse gas emissions to be at least 66% lower than baseline levels by 2030?**

**Yes No (please explain your answer)**

Please see our response to questions 1 and 2 above.

**Question 3. c) Do you agree that a target should be set for greenhouse gas emissions to be at least 78% lower than baseline levels by 2040?**

**Yes No (please explain your answer)**

Please see our response to questions 1 and 2 above.

**Question 4. Do you agree that annual emission reduction targets should be in the form of percentage reductions from baseline levels?**

**Yes No (please explain your answer)**

Yes. However, there should also be consistency in the methodology of measuring energy efficiency used between England & Wales and Scotland. If the assessment of efficiency is more onerous in Scotland than the rest of the UK or globally this could potentially make Scottish commercial property investments less attractive to investors. The Scottish Government has also set challenging housing delivery targets, which will create additional demand. This should also be factored into the targets for the built environment.

**Question 5. Do you agree that annual targets should be set as a direct consequence of interim and 2050 targets?**

**Yes No (please explain your answer)**

Yes.

**Question 6. Do you agree that all emission reduction targets should be set on the basis of actual emissions, removing the accounting adjustment for the EU ETS?**

**Yes No (please explain your answer)**

Our members have some concerns about targets being set based on actual emissions. As stated at question 1 there is a risk of contradictory legislation and policy that will impact on the targets. For example, the Scottish Energy Strategy is based on current energy consumption. However, the Scottish Government has set

challenging housing delivery targets, which will create additional demand. Demographics and population increases will also have an impact.

**Question 7. a) What are your views on allowing the interim and 2050 emission reduction targets to be updated, with due regard to advice from the CCC, through secondary legislation?**

Please see our response to question 2 our members have concerns about targets being reset through secondary legislation. It is vital that these targets receive proper scrutiny. A key issue is a clear trajectory and timeline of what will be expected and when. This has been a continuing concern of our members. For example, it may be cheaper to undertake several improvements at a specific date in time. The s63 Climate Change Scotland Act (CCSA) Regulations have just been implemented but there is now the prospect of further regulation and obligations from 2020.

Regulations may trigger a substantial impairment to Scottish non-domestic property values, including a significant impact for public sector assets, which tend to be larger properties there is little evidence thus far of energy efficiency improvements achieving improvements in value. There is real concern that values might be reduced as purchasers (and potential tenants) require improvements or price adjustments to be made to meet legal and commercial obligations.

**Question 7. b) What do you think are the most important criteria to be considered when setting or updating emission reduction targets?**

Please see our response to question 7. a) above.

**Question 8. a) What are your views on the frequency of future Climate Change Plans?**

As stated at question 7. a) a key issue is a clear trajectory and timeline of what will be expected and when. This has been a continuing concern of our members. For example, it may be cheaper to undertake several improvements at a specific date in time. The s63 Climate Change Scotland Act (CCSA) Regulations have just been implemented but there is now the prospect of further regulation and obligations from 2020.

Regulations may trigger a substantial impairment to Scottish non-domestic property values, including a significant impact for public sector assets, which tend to be larger properties there is little evidence thus far of energy efficiency improvements achieving improvements in value. There is real concern that values might be reduced as purchasers (and potential tenants) require improvements or price adjustments to be made to meet legal and commercial obligations.

**Question 8. b) What are your views on the length of time that future Climate Change Plans should cover?**

Please see our response to question 8. A) above.

**Question 8. c) What are your views on how development of future Climate Change Plans could be aligned with Paris Stocktake Processes?**

No comment

**Question 8. d) How many days do you think the period for Parliamentary consideration of draft Climate Change Plans should be?**

No comment

**Question 9. What are your views on the proposal that any shortfall against previous targets should be made up through subsequent Climate Change Plans?**

This would need to be considered given the circumstances at the time. Please see our response to questions 1 and 2 above.

**Question 10. What are your views on these initial considerations of the impacts of the Bill proposals on Scotland's people, both now and in future generations?**

As already stated we agree that there a number of cost effective ways to achieve significant savings in money and energy in many domestic and non-domestic buildings. The catalyst needed to achieve these savings is education and for individuals and businesses to change their behaviour and to prioritise practical changes to the use and consumption of energy within their building. This is often easier said than done and unfortunately there are often significant barriers to such action, particularly in the tenanted commercial stock. Chief among these is the difficulty of measuring whole building energy use due to the split responsibilities and incentives in energy purchasing and use between landlord and tenant. Without the means to effectively measure actual energy impacts, often these cost-effective improvements are not in plain sight to those empowered to make the necessary steps to capitalise upon them.

Investment in energy efficiency particularly in the commercial sector does not add value or assist in the letting process where the chief concern of tenant is location, fit-out and footfall. The landlord-tenant relationship is complex and the landlord may have little control over the actual consumer of energy, the tenant.

The CRC may provide some benefit in terms of incentives for enhanced energy efficiency but it remains the case that the named bill-payer (who may be the landlord) may have little control over the actual consumer of energy, the tenant.

**Question 11. What are your views on the opportunities and challenges that the Bill proposals could have for businesses?**

The SPF's views and concerns mainly relate to question 11 of the consultation paper on the opportunities and challenges that the Bill proposals could have for businesses. Some of these views and concerns have been repeated elsewhere in our response to the other questions.

We agree that there are a number of cost effective ways to achieve significant savings in money and energy in many non-domestic buildings. The catalyst needed to achieve these savings is for individuals and businesses to change their behaviour and to prioritise practical changes to the use and consumption of energy within their building. This is often easier said than done and unfortunately there are often significant barriers to such action, particularly in the tenanted commercial stock. Chief among these is the difficulty of measuring whole building energy use due to the split responsibilities and incentives in energy purchasing and use between landlord and tenant. Without the means to effectively measure actual energy impacts, often these cost-effective improvements are not in plain sight to those empowered to make the necessary steps to capitalise upon them.

Investment in energy efficiency particularly in the commercial sector does not add value or assist in the letting process where the chief concern of tenant is location, fit-out and footfall. The landlord-tenant relationship is complex and the landlord may have little control over the actual consumer of energy, the tenant.

The CRC may provide some benefit in terms of incentives for enhanced energy efficiency but it remains the case that the named bill-payer (who may be the landlord) may have little control over the actual consumer of energy, the tenant.

A key issue in the commercial sector is the continuing shortening of lease lengths and the fact that the Green Deal was linked to the occupier rather than the owner. Members report a 7 to 8-year market letting cycle, which is getting even shorter with new tenants demanding less than 5 years. These quicker turnarounds are further frustrating the issue as new tenants in existing buildings generally want their own branded fit out with everything stripped out when premises are re-let, which is a problem in relation to retrofit.

Our members have also indicated concern that there should be consistency in the methodology used between England & Wales and Scotland. We recognise that there is now a read through of the differences in EPCs appended to Scottish EPCs. However, it remains our view that if the assessment of efficiency is more onerous in Scotland than the rest of the UK this could potentially make Scottish commercial property investments less attractive to investors.

A key issue is a clear trajectory and timeline of what will be expected and when. This has been a continuing concern of our members. For example, it may be cheaper to undertake several improvements at a specific date in time. The s63 Climate Change Scotland Act (CCSA) Regulations have just been implemented but there is the prospect of further regulation and obligations from 2020.

Regulations may trigger a substantial impairment to Scottish non-domestic property values, including a significant impact for public sector assets, which tend to be larger properties and there is little evidence thus far of energy efficiency improvements achieving improvements in value. There is real concern that values might be reduced as purchasers (and potential tenants) require improvements or price adjustments to be made to meet legal and commercial obligations.

A balance needs to be struck between sustainable economic growth and carbon commitment targets. SPF members remain concerned at the impact – and the nature of possibly contradictory legislation and policy. For example, a retail complex will produce an EPC certificate but a requirement to install electrical charging points for cars has the potential to more than double the output as stated in the EPC certificate. There is also the continuing issue of the impact on listed buildings.

Investment in energy efficiency particularly in the commercial sector does not add value or assist in the letting process where the chief concern of tenant is location, fit-out and footfall. In general, our members have strong concerns that there is little evidence thus far of energy efficiency improvements achieving improvements in value, but with the introduction of further regulation there is real concerns that values might be reduced as purchasers (and potential tenants) require improvements or price adjustments to be made to meet legal and commercial obligations. Similarly, there are real questions remaining over the savings to be made in energy consumption and carbon emissions as result of improvements. Any investment payback that is 5 years or more is difficult to justify in the current fiscal environment.

Our members are concerned that the Scottish Energy Strategy is based on current energy consumption. The Scottish Government has set challenging housing delivery targets, which will create additional demand. This should be factored into the government's assessment of relative energy efficiency improvements from the built environment.

**Question 12. a) What are your views on the evidence set out in the Environmental Report that has been used to inform the assessment process? (Please give details of additional relevant sources).**

No comment

**Question 12. b) What are your views on the predicted environmental effects as set out in the Environmental Report?**

No comment

**Question 12. c) Are there any other environmental effects that have not been considered?**

No comment

**Question 12. d) Do you agree with the conclusions and recommendations set out in the Environmental Report?**

No comment

**Question 12. e) Please provide any other comments you have on the Environmental Report.**

No comment



**Question 13. Please use this space to tell us any other thoughts you have about the proposed Climate Change Bill not covered in your earlier answers.**

No comment