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Rt Hon George Osborne MP
Chancellor of the Exchequer
HM Treasury
Horse Guards Road
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cc. Prime Minister, Deputy Prime Minister, Secretary of State for Energy & Climate Change, Secretary of State for Communities & Local Government, Secretary of State for Business, Innovation & Skills, Housing Minister, Construction Minister.

OPEN LETTER

Friday, 18 January 2013

Dear Chancellor

As organisations with members across the entire breadth of the construction, property and infrastructure sector, we share your desire to see strong growth in the UK economy.

Prompted by Building Magazine's *Green for Growth* campaign, we have come together to demonstrate the remarkable degree of consensus that exists across our industry on the potential for 'green growth', which we believe would be instrumental in stimulating economic activity, creating jobs and strengthening our international competitiveness. The green and low carbon agenda have been a major stimulus for innovation in the sector over the last five years, earning the UK an international reputation for leadership that can only benefit UK Plc.

Although we recognise that industry needs to take a lead on delivery, there are some things only Government can do to address clear and persistent market failures and create a level playing field. There are therefore policy actions that could be taken which would better enable our members to make the most of this opportunity, and to deliver tangible results on the ground. In summary:

1. Introduce long term structural incentives to encourage householders to take up energy efficiency measures, and reconsider elements of the 'consequential improvements' policy, which would be a powerful driver of the Green Deal.
2. Consider a ring-fenced retrofit programme for public buildings, funded by a combination of the £1.5bn annual government departmental underspend and other innovative finance mechanisms such as Energy Performance Contracting.
3. Stick to the commitment for all new homes and all new non-domestic buildings to be zero carbon from 2016 and 2019 respectively; and urgently clarify both the interim steps required through Part L and the Allowable Solutions policy.
4. Boost energy saving in commercial buildings by improving and extending Display Energy Certificates to all buildings and provide urgent clarity on the obligations in the Energy Act 2011 to phase out the letting of poorer performing buildings.

5. Encourage long-term investment in green infrastructure and improve confidence in the supply chain by enabling the Green Investment Bank to borrow now, and providing greater clarity on the future for low carbon energy generation.

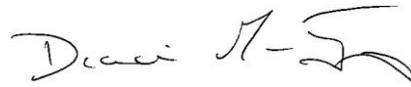
Clearly there are issues here that need to be considered in the context of the Government's objectives on regulation. Our members of course welcome a reduction in burdensome regulation, but it is vital to distinguish between unnecessary red tape, and smart regulation that can provide clear direction as the basis for industry investment, innovation and growth.

We would welcome a meeting with you to discuss these points in more detail.

Yours sincerely



Richard Kauntze
Chief Executive, British Council for Offices



Dr Diana Montgomery
Chief Executive, Construction Products Association



Michael Green
Chief Executive, British Council for Shopping Centres



Stewart Baseley
Chief Executive, Home Builders Federation



Elizabeth Peace
Chief Executive, British Property Federation



Mark Walley
Executive Director UK & Ireland, Royal Institution of Chartered Surveyors



Blane Judd
Chief Executive, Building Engineering and Services Association



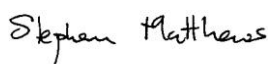
John White, Chief Executive Timber Trade Federation



Michael Brown
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Chief Executive, UK Green Building Council



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Chief Executive, Chartered Institution of Building Services Engineers



Keith Bugden
Executive Programme Director, Better Buildings Partnership

