

European Commission  
Directorate-General for Energy

The  
Heritage  
Alliance

Consultation response to

***Financial Support for  
Energy Efficiency in Buildings***

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**Background: The Heritage Alliance**

The Heritage Alliance is the largest coalition of non-government heritage interests in England. It brings together over 90 major and predominantly national bodies from specialist advisers, practitioners and managers, volunteers and owners, to national funding bodies and organisations leading regeneration and access initiatives. They are supported in turn by thousands of local groups and over 5 million members, with a huge volunteer input at all levels.

Together these organisations own, manage and care for the vast majority of England's heritage. Their specialist knowledge and expertise across a huge range of issues - from planning to visitor management - is a highly valuable national resource, much of which is contributed on a voluntary basis for public benefit. They also demonstrate the continuing power of heritage to inspire civic engagement and social responsibility.

**Background: The Heritage Alliance Manifesto**

The Alliance's 2009 manifesto, *Making the Most of our Heritage*, said the following about climate change and heritage, which is very relevant to this consultation.

*Making the most of our heritage assets will help us reduce the impacts of climate change and adapt to its most damaging consequences.*

*Older buildings play a crucial role in meeting the targets for moving to a low-carbon future. Private dwellings alone, a fifth of which were built before 1919, account for over a quarter of carbon emissions in this country. But older buildings themselves are not the problem. Changing people's behaviour is just as important as improving energy performance.*

*Re-using and recycling older buildings produces fewer carbon emissions and uses less energy. Their adaptation avoids loss of embodied energy, prevents landfill associated with demolition and waste materials, and avoids the high levels of carbon emissions and energy involved in new development. Repair, maintenance and improvement of traditional buildings is the low carbon option.*

*The impact of past periods of climate change can be demonstrated through the historic environment, while older traditions of construction and settlement location offer solutions for the future. Many older areas are themselves the products of a low carbon economy, providing examples of more sustainable patterns of living*

Our members are non-government, voluntary and private organisations that promote, conserve, study and involve the public in our heritage.

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*Parts of the historic environment will be threatened by climate change and some will need to be adapted to avoid permanent damage. It is possible to respond to the challenges of climate change and improve the energy efficiency of historic buildings without destroying their distinctive character and value.*

*The Heritage Alliance calls on the Government to:*

- promote the contribution that protection of the historic environment can make to a low carbon future, shifting its policy and fiscal framework towards beneficial re-use and recycling of older buildings, with local and central Government leadership*
- implement UK fiscal incentives to encourage better maintenance of the fabric of historic buildings*
- adjust performance measures and guidance on energy efficiency so that they are based on actual rather than theoretical energy use in historic buildings*
- support innovative energy efficiency solutions respecting the character of existing buildings through grant aid.*

## **Our response to the consultation**

The heritage sector fully supports the need for energy efficiency and recognises the role that historic and traditional buildings can play in this. A great deal of work has been done in advising how buildings of traditional construction can meet the challenge.

The national heritage bodies (English Heritage, Historic Scotland, Cadw, and, the Department of Environment in Northern Ireland) have prepared guidance for introducing energy saving measures in to buildings. This is supported by advice and research from other organisations such as the Society for the Protection of Ancient Buildings and the National Trust for Places of Historic Interest or Natural Beauty – both members of The Heritage Alliance. The Church of England introduced its ‘Shrinking the Footprint’ programme some years ago to advise local parishes on sustainability and energy efficiency in church buildings.

However, older buildings are constructed in a variety of complex methods and materials, and **policy proposals for their conservation, repair and maintenance require bespoke approaches to respect their architectural design and methods of construction. A one-size-fits-all approach to applying energy efficiency measures to traditional buildings is not appropriate.**

## **Commentary on the consultation paper**

The heritage sector supports the need for energy efficiency and sustainability, and to a large extent has led the way by using traditional materials to repair existing structures. These traditional materials – lime, timber, stone – have a low carbon footprint. The challenge is to reduce the level of energy consumption while buildings are in use and occupied, and that needs an approach that recognises that the needs of historic buildings are different from modern buildings.

With reference [page 2] to the Commission’s Annual Growth Strategy, 2012, and in particular to growth-friendly expenditure on education, innovation and research, the heritage sector in the UK is conducting primary research on the thermal performance of traditionally-constructed buildings . **The initial results of this research demonstrate two important points:**

1. Solid walls of traditional construction have better thermal performance than conventional computer programmes (such as BuildDesk) indicate.

2. Structures which are well-maintained and dry have a markedly better thermal performance than those which are not. This is important, as it works to improve thermal efficiency will only have limited effect if underlying repairs and defects are not addressed first.

This research has been conducted on low levels of resource and funding, and progress would be greatly assisted by further research grants. Research funding streams under the EU Research and Development Framework Programme [page 6] need to take into account our traditional buildings of heritage value.

Education programmes are being developed (by English Heritage, the Society for the Protection of Ancient Buildings, Historic Scotland, a number of universities and colleges) on energy efficiency in historic buildings. In order for these to embrace a wider range of stakeholders as possible, there should be funding sources available to them

It is important to recognise the level of embodied energy in historic buildings, which is often very low with vernacular buildings that were built using locally-sourced materials. Their continued use and adaptation avoids the major carbon costs of demolition and reconstruction [page 2]. Retaining historic buildings in use therefore avoids much of the carbon-intensive demolition and rebuilding referred to on page 3.

The proposed Energy Efficiency Directive [page 5] contained proposals which impact on the historic environment. We offer the following comments

Bullet point 1 [page5]: **There is major concern in the UK on the incentives to energy companies to deliver improved insulation to homes.** The easiest way to achieve this is by external render systems, which will create a massive change in our historic environment by covering brick and stone walls with render. Listed buildings and conservation areas should be adequately protected by their legal protection but their settings and the wider non-designated heritage is at risk. **Statutorily protected buildings are at risk if energy advisers and contractors are not aware of their legal status.**

Reference is made on page 9 to the high 'inconvenience' barrier linked to building renovation: such as project costs, permits, financing, finding contractors and supervising their work as well as the need to move out during works. There will be a level of 'inconvenience' when dealing with non-standard and 'hard-to-treat' building, many of which will be of heritage value.

Bullet point 2: Many public authorities, including the UK government, occupy historic buildings, and the implied encouragement for them to dispose of these in favour of new energy-efficient buildings will put their conservation at risk where they lie in marginal areas. This risks creating a commercial property market where historic buildings have a lower value, which will lead to less incentive to repair and maintain them.

**Bullet point 4: Reduction in regulation to remove barriers to energy efficiency are generally welcomed, but not where this would reduce the statutory protection for historic buildings and their settings.**

Energy Performance Contracting [p9] is the model being used in the UK where energy efficiency measures are undertaken by the energy companies, the costs being applied to the consumers energy bills. The risks for historic buildings are:

1. Energy assessors working for the energy companies need to be trained to understand and identify buildings of traditional construction. We are not aware that the training standards being developed for the UK Green Deal programme give sufficient recognition to this.

2. As already mentioned, the financial incentives on the energy companies to achieve targets put heritage at risk
3. There are technical risks to older buildings with blanket energy efficiency systems. One size fits all solutions are not appropriate to traditional buildings.
4. Financial risks – English Heritage , SPAB and Historic Scotland primary research is showing that traditional buildings have higher energy efficiency than hitherto stated. Therefore, homeowners will not gain the increase in efficiency which they expected so their energy bill will not reduce to the extent expected, and will not offset the cost increase in their energy bills to cover the energy efficiency work

## Response to consultation questions

*Based on the clusters of barriers identified in the previous chapter, stakeholders are requested to provide answers on the following questions:*

### *(1) Addressing market failures*

*(a) Are the barriers identified in this document the most important ones? If not, which barriers are missing and why are they important?*

**Any proposals to deal with barriers need to recognise the built heritage, of which there is no mention in this document. Older buildings play a crucial role in meeting the targets for moving to a low carbon future. A fifth of private dwellings in the UK were built before 1919, while the proportion in Wales is much higher at one-third.**

*(b) Which market failures would be most urgent to address? At what level (i.e. EU, national/regional/local) would these failures be best addressed?*

**Risk of inappropriate works being carried out to buildings of traditional construction, and particularly those given statutory protection as listed buildings or in conservation areas. This could result from the strong financial incentives to energy companies to reach targets of installations.**

*(c) How could these failures be best addressed? For example; how could behavioural change needed for quicker uptake of energy efficiency measures by society be triggered at the national level? How could the development of an energy services market for households be further stimulated? What could be done to increase awareness raising and promotion of energy efficiency in buildings? How could the business community (e.g. building sector, ESCOs, local banks, etc.) be better supported in delivering energy efficiency in buildings? How could the split incentive problem be best tackled?*

**Whatever measures are adopted to increase a quicker uptake of energy efficiency measures, they need to be accompanied by advice which is appropriate to the property concerned. Property owners and occupiers must have access to advice relevant to their property and to their individual situations.**

### *(2) Improving access to financing*

*(a) Are the current EU-level financial tools for energy efficiency in buildings effective? How could the uptake of EU-level funding for energy efficiency (including cohesion policy funding) be improved? As a complement to tailor-made national or regional financial instruments (e.g. set up with a contribution from cohesion policy funds), what could be the future role of centrally-managed financial instruments at EU level in this context?*

**No comment**

*(b) How could more private financing (both from institutional investors as well as building owners) for energy efficiency projects be mobilised? What would be the role of public funding (both at EU and national level) in this context? Is access to (project development) technical assistance an issue and how could it be provided most efficiently at the national, regional and local level? How could both national and EU financing schemes be improved to best cover all segments of the market (residential, commercial, public buildings, etc.)?*

**No comment**

*(c) Is there a need for guarantee systems related to building efficiency investments? If so, what guarantee systems for efficiency investments would be necessary and how should they be designed? Is there a need for other enabling mechanisms (e.g. risk-sharing, investment vehicles)?*

**No comment**

*(d) How could the capacity, knowledge and risk perception regarding energy efficiency investments be improved, both at financial institutions as well as with private investors and administrations at all levels?*

**The national heritage bodies (English Heritage, Cadw, Historic Scotland and the Northern Ireland Department of Environment) and government departments (CLG, CDMS) need to work with owners and investors to increase knowledge and capacity**

*(e) Are there examples of good practice at national or regional level (with data on costs and benefits) that could be applied more widely?*

**(3) Strengthening the regulatory framework**

*(a) Is there any need for further EU-level regulation to stimulate energy efficiency investments in buildings beyond the Commission proposal for a new Energy Efficiency Directive? If so, what should these measures entail?*

**Any such proposals need to recognise the new research into the energy performance of traditional buildings, recognise their heritage value, and consider the full range of options for improving energy saving, where the appropriate option for the building may not be the cheapest one.**

*(b) What could be specific measures to be taken at national level to implement and complement most effectively the EU-level regulatory framework for energy efficiency?*

**No comment**

*(c) What are the specific needs for policy guidance and awareness raising among different stakeholder groups?*

**Guidance and training is available for historic buildings, but it is not yet widely disseminated among some major stakeholders such as the energy companies, energy assessors and the awarding bodies, who need to be aware of this.**

Thank you for the opportunity to respond to this consultation. If we can be of any further assistance, please contact us using the details below.

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