Building for the future: Sustainable construction and refurbishment on the government estate
SUMMARY

1 This report examines the extent to which departments and executive agencies are meeting targets to make their new buildings and major refurbishments more sustainable. Each year departments and agencies spend in the region of £3 billion on these projects. If sustainability is handled well, it can and should provide better value for money in the long term.

Key findings

2 The government has set sustainability standards for the construction and refurbishment of buildings on the government estate, but these are not being met. Departments are failing to carry out environmental assessments and achieve the target ratings. In the sample of projects we examined, 80 per cent would not have attained the required standards.

3 The required standards will in any case not be enough to ensure that departments meet the new targets for Sustainable Operations on the Government Estate, in particular the targets set for carbon emissions, energy and water consumption. Current performance against these targets is poor.

4 Various barriers are hindering progress towards more sustainable buildings. These include, in particular:

- the fragmentation of policy responsibility among government bodies for improving sustainable construction and refurbishment on the government estate and the absence of a coherent approach to monitoring progress and ensuring compliance;
the relatively small scale of many projects –
especially refurbishments – and the lack of sufficient
knowledge and expertise in sustainable procurement
among those departmental staff responsible for them;
the widespread perception of a conflict between
sustainability and value for money – partly because
project teams are failing to assess the long-term costs
and benefits of more sustainable approaches; and
the failure to specify expected benefits and
undertake rigorous post-occupancy reviews
to evaluate performance against them and the
consequent lack of robust data to inform business
appraisals for new projects.

Recommendations

Our recommendations, presented in full in
Appendix 1, are summarised below.

Improving sustainable construction is a government-
wide responsibility and central government departments
should take far more action to address the serious and
widespread failure to achieve the targets set. Whilst
precise responsibilities for sustainable procurement are
still to emerge, it is clear that some key organisations
including Defra, OGC and possibly DTI have a role for
providing leadership and direction on the government
estate. Between them these organisations should:

- establish a clear understanding on the division of
  policy responsibilities for sustainable construction
  in the public sector, in such a way as to ensure clear
  accountability for this area of policy;
- work with other departments with a role in
  promoting sustainable construction to ensure a
  joined-up approach;
- establish a source of expertise available to all
  departments to provide advice on sustainable
  construction for smaller construction and
  refurbishment projects;
- identify and promote cost neutral or low cost
  approaches to help make smaller construction and
  refurbishment projects on the government estate
  more sustainable;
- define the level of performance required on
  the government estate, and revise and promote
  the sustainability requirements in the Common
  Minimum Standards;¹
- develop outcome-based performance targets
  for individual buildings (for example in terms of
  energy and water use) which departments can
  include in specifications for construction and
  refurbishment projects;
- monitor and report on progress, including
  monitoring compliance at the project level, to help
  understand and hold departments to account for
  performance; and
- advise departments on the factors to consider when
  assessing whether it is appropriate for a BREEAM
  assessment (Figure 5) or alternative assessment
  method to be undertaken, and commission
  alternatives to a full BREEAM assessment for use on
  smaller projects or minor refurbishments.

Treasury and the Office of Government
Commerce should:

- clarify their guidance on the use of whole life
costing, and promote this standardised approach
to all construction and refurbishment projects by
departments and agencies; and
- ensure that the development of sustainability targets
for government under the High Performing Property
initiative incorporates appropriate environmental
benchmarks and measurement mechanisms.
Departments and agencies should improve the sustainability of new builds and refurbishments on the government estate by:

- specifying their requirements for environmental performance in terms of outcomes – including carbon emissions and energy and water consumption – in line with the targets for Sustainable Operations on the Government Estate;
- conducting post-occupancy evaluations to assess whether completed construction and refurbishment projects have delivered the specified level of performance;
- using integrated teams in all projects, so that all stakeholders are signed up to the need to deliver sustainability;
- incorporating to a greater extent the ‘Quick Wins’ (products which meet environmental standards at minimal cost) and any other features of sustainable buildings which are cost neutral or have the potential to deliver cost savings in the short term; and
- taking full account of the government’s environmental targets – and the wider social and economic impacts which sustainable buildings can bring – when assessing value for money.

Value for money potential

There is much more that departments can do to demonstrate and achieve value for money through sustainable building on their estates. Some aspects of more sustainable building offer tangible financial savings – for example, savings in energy and water consumption of at least £20 million a year. Other aspects of sustainability are more difficult to value or measure, and work is needed to develop a better framework in which these can be assessed and justified, and to provide data to inform future projects. Some of that additional value may offer direct financial savings in the long run – but other value will come from the contribution departments can make to delivery of the UK’s Sustainable Development Strategy and achievement of related national targets.