



THE **PUBLISHERS**
ASSOCIATION

**The Carbon Reduction Commitment Energy
Efficiency Scheme: Consultation on the
treatment of the CRC in the context of
Landlord and Tenant Relationships**

**Views to the British Property Federation
[crc@bpf.org.uk]**

from

The Book Trade's Environmental Action Group

supported by

The Booksellers Association

&

The Publishers Association of the UK

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1. The Booksellers and Publishers Associations

- 1.1 The Booksellers Association ["BA"] is a trade association situated in London, SW1, which represents booksellers in the UK and Ireland who sell new books to consumers and to institutions like libraries and schools.
- 1.2 The BA has a diverse membership, covering all types of businesses; large chains and small independents, general and specialist, terrestrial and online, retailer and wholesaler, located both on – and off – the high street.
- 1.3 Over 3,900 bookselling outlets are currently in membership of the BA, of which approximately 1,300 are independent bookshops.
- 1.4 BA members sell printed books, audio books, e-books and e-readers. Booksellers may also employ 'print-on-demand' (POD) technology, which can produce from digital printers a bound paperback from a remote digital file in around four minutes.
- 1.5 UK and Irish booksellers operate in a very competitive marketplace, competing particularly on:
 - Price
 - Service
 - Location
 - Stock range.
- 1.6 Formed in 1895, the BA's aims are to help its members to:
 - Increase sales
 - Reduce costs
 - Improve competitiveness, efficiency and productivity
 - Network
 - Represent their views.
- 1.7 The Publishers Association ["PA"] is the leading trade organisation serving book, journal and electronic publishers in the UK.
- 1.8 The PA's core service is representation and lobbying, around copyright, rights and other matters relevant to its members, who represent roughly 80% of the industry by turnover.
- 1.9 The PA's mission is to strengthen the trading environment for UK publishers, by providing a strong voice for the industry in government, within society and with other stakeholders in the UK, in Europe and internationally; providing a forum for the exchange of non-competitive information between publishers; and providing support and guidance to the industry through technological and other changes.
- 1.10 The PA's membership is open to publishing companies that operate in the UK.

2 The Book Trade's Environmental Action Group

- 2.1 The BA and PA have formed an Environmental Action Group ["EAG"] in the UK. This is a cross-industry working group involving publishers and booksellers – large and small – and printers. The EAG's Chairman is Mark Gough, the Global Environmental Manager of the multi-national publishers, Reed Elsevier.

- 2.2 The EAG was set up in 2007 with the following Aims and Objectives: “*The PA/BA environmental action group is a trade wide group that aims to spread awareness within the industry of the environmental impact of publishing and bookselling. The group aims to encourage action in every area of the business to reduce waste and adopt environmentally friendly business practices*”.
- 2.3 The EAG has developed a website www.green4books.org.uk which gives practical advice to individual publishers and booksellers as to what steps they might consider taking in their own businesses to help protect the environment.
- 2.4 The EAG has been asked by both the BA and PA to consider the *Consultation on the Treatment of the Carbon Reduction Commitment in the context of Landlord and Tenant Relationships* at its last meeting on 2nd February 2010, and very much welcomes the opportunity to submit views to The British Property Federation.

3 General Concepts

- 3.1 We have considered the questions you pose on page 5 of the Consultation Document (B3) - *Should tenants contribute proportionately to CRC costs incurred by landlords?*
- 3.2 In our view, costs should only relate to the administration costs of the scheme. These costs could include:
- The costs of capturing, recording and reporting the data
 - The costs of purchasing allowances (not the costs of the allowances themselves)
 - The costs of recycling payments
 - Any consultancy costs.
- 3.3 There is a need to define what is meant by an administration cost. A spirit of transparency should prevail.
- 3.4 Once this has been done, we feel very strongly indeed that the administration costs are the responsibility of the landlord and should not be passed down to any tenant within their properties.
- 3.5 If it is agreed that the tenant pays the landlord for energy used within the tenant's own premises, then we do believe it is reasonable for the tenant to contribute to the CRC purchasing allowances, but only if:
- Sub-metering is installed
 - The tenant receives back what they contributed plus or minus the landlord's performance as specified in the league table.
- 3.6 If the tenant pays the landlord for energy used within the common parts of the building, then we believe the common parts of the building have to be the responsibility of the landlord.

4 Conclusion

- 4.1 What we would not like to see would be costs passed backwards and forwards between the landlord and tenant – each trying to offload the cost.
- 4.2 If costs are not passed backwards and forwards, and the landlord is responsible for the administration costs of the scheme, then there is an incentive for the landlord to make necessary changes and to improve the energy efficiency of the building – or buildings.

- 4.3 Landlords would then be in a good position to increase the rent on the building (as it would be more efficient following the improvements).
- 4.4 That seems to our Environmental Action Group to be a sensible way of working.

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