

MAYOR OF LONDON

Andrew Boff AM

Chair of the London Assembly Planning and
Regeneration Committee
C/o Memuna.Hussain@london.gov.uk

Our ref: MGLA090224-6304

Date: 27 June 2024

Dear Andrew,

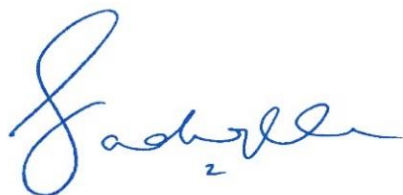
Thank you for the London Assembly Planning and Regeneration Committee's report, 'Retrofit vs Rebuild?' following Committee meetings on 1 March and 22 March 2023 to discuss 'Planning for a Low Carbon Circular Economy'.

This report addresses a crucial topic, and I thank you for communicating the issue in a clear and accessible way. I am sure this report and the conversations it facilitates will help to engage more of the stakeholders that we need to make progress in reducing embodied carbon and in-operation emissions in the built environment.

The report makes six recommendations, my responses to which can be found in the annex to this letter.

Thank you again for investigating this important issue.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Sadiq Khan', with a small '2' written below the name.

Sadiq Khan

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Annex

Mayor of London's response to the recommendations of the London Assembly Planning & Regeneration Committee's report on 'Retrofit vs Rebuild?'

Recommendation 1

The Government should introduce a mandatory requirement in national policy to undertake WLC Assessments for buildings, looking at the policy on minimising greenhouse gas emissions set out in the London Plan's Sustainable Infrastructure Policy 2 Part F as a potential model.

The Mayor has consistently supported calls for the Government to adopt a policy to address Whole Life-Cycle Carbon (WLC) in the built environment.

In 2021, officers in the Greater London Authority's (GLA) London Plan Team provided evidence to the House of Commons Environmental Audit Committee (EAC) on embodied carbon. Similar to Recommendation One in this London Assembly report, a key recommendation in the EAC report was for the Government to adopt an embodied carbon policy.

GLA officers in the Planning and Environment Teams have since engaged with government and wider industry stakeholders and offered to support them in this as a very important approach for further tackling the emissions related to construction.

In response to the EAC report, the Government stated that it intended to "consult in 2023 on our approach and interventions to mainstream the measurement and reduction of embodied carbon in the built environment." No consultation took place in 2023, and there is still no clear timetable for the Government to begin this consultation, leading to unnecessary uncertainty in the building industry.

Recommendation 2

The Mayor should publish annual data gathered from WLC Assessments to enable the success of the policy to be tracked, and to identify improvements needed. The GLA should analyse the data and provide an estimate of the amount of embodied carbon emissions associated with London developments, broken down by type.

Information collected through WLC Assessments has been included as part of the [2022 Energy Monitoring Report \(EMR\)](#). As more data is collected through the implementation of London Plan policy and guidance, the Mayor will consider how to build on this in future monitoring and reporting to identify areas for improvement.

Recommendation 3

The GLA should explore the following measures in the next iteration of the WLC Assessments guidance, to standardise assumptions and improve the ambition, accuracy and accountability of the assessments submitted by developers:

- ambition: more ambitious "standard" and "aspirational" benchmarks to match global best practice
- accuracy: applicants should be required to incorporate electricity grid decarbonisation

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projections into their assessments

- accountability: a full assessment of the carbon implications of alternatives that involve retrofit; and a requirement for a third-party, independent audit of the WLC Assessments (with the cost borne by applicants).

The Mayor will consider this recommendation as part of the work underway on the review of the London Plan and in any future review of the accompanying guidance on WLC Assessments or Circular Economy (CE) Statements. It is crucial to build on the progress made by the current London Plan WLC and CE policies and guidance so far and to incorporate lessons learned from implementation to ensure that London Plan policies and accompanying guidance remain up-to-date and effective.

Recommendation 4

The Government should assess how to ensure retrofit is more frequently viable, including whether VAT on building refurbishment could be removed or reduced (to bring retrofit in line with new buildings), subject to budgetary and other considerations.

The Mayor has consistently lobbied the Government to make changes to VAT in line with this recommendation. It is a major obstacle that it is cheaper to demolish and build new than to refurbish as a result of the VAT placed on retrofit, whereas new construction is zero-rated for VAT.

Recommendation 5

The Government and the Mayor should assemble a working group to identify the support that local authorities need, in terms of their skills and capacity, to promote whole life carbon and circular economy approaches; and how this support could be obtained.

Officers from the GLA Planning and Environment Teams have produced London planning guidance and delivered training to all local authorities in London on WLC and CE policies and their implementation. While officers already provide direct, ad hoc support to local authorities and other stakeholders, the Mayor will consider the suggestion to identify and provide any additional support local authorities may need to promote these policies and approaches at a borough level.

Recommendation 6

As part of a potential review of the London Plan, the GLA should conduct a review of the infrastructure, products and services that are needed to support the circular economy in building and construction. As a result of this review, the GLA should set out actions it will take.

The Mayor will consider this recommendation as part of the work underway on the review of the London Plan and in any future review of the accompanying guidance on WLC Assessments or CE Statements. Understanding the barriers faced by those implementing these policies will be key to identifying areas where the Mayor, boroughs, and industry can take action to further support and enable greater uptake of circular approaches.