

GREATER LONDON AUTHORITY

REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD2505

Title: Action Plan to Retrofit London's Homes

Executive Summary:

The Mayor's ambitions for net zero carbon by 2030 require a huge uplift in the delivery of energy efficiency retrofits for London's homes. London Councils are proposing to procure consultancy support to explore the actions, changes and policy developments needed to develop an ambitious and achievable programme plan that will facilitate the retrofitting of all London's homes to an average standard of Energy Performance Certificate (EPC) level B by 2030.

This Decision Form seeks approval to provide grant funding to London Councils to enable this work. This work supports the delivery of the Green New Deal Mission. Retrofitting London's homes will be a key aspect of the Green New Deal and supports delivery of the Mission theme decarbonising the built environment.

Decision:

That the Interim Assistant Director of Environment and Energy approves:

Expenditure of up to £25,000 on grant funding to London Councils to develop a programme plan for retrofitting of London's homes to an average standard of EPC level B by 2030.

AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name: Peter Daw

Position: Interim Assistant Director,
Environment and Energy

Signature:



Date:

1 March 2021

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1. The Mayor is committed to making London a net zero carbon city, a zero waste city and to have the best air quality of any major world city. These ambitions can only be met by a vast increase in investment and a rapid uplift in the speed and scale of delivery.
- 1.2. London's homes account for around a third of all greenhouse gas emissions in the capital. It is estimated that to reach net zero by 2050 the emissions from London's homes will need to reduce to around 1.0 MtCO₂e a year from 12.1 MtCO₂e today. This implies an average of around 100,000 homes being retrofitted with energy efficiency improvements and renewable technologies each year, to 2050. In February 2020, the Mayor announced his ambition to make London net zero carbon by 2030. This is a step change in the scale and speed of London's decarbonisation.
- 1.3. The London Recovery Board is co-chaired by the Mayor of London and the Leader of London Councils, established in response to the pandemic. The Board has set as its grand challenge a goal to 'restore confidence in the city, minimise the impact on communities and build back better the city's economy and society'. The Recovery Board's key outcomes include: tackling rising unemployment, supporting communities, helping young people, narrowing inequalities and ensuring a cleaner and greener recovery. In September 2020, nine missions were approved to support the overall grand challenge, following consultation with Londoners and stakeholders including a Green New Deal mission.
- 1.4. The Green New Deal Mission has set the challenge of tackling the climate and ecological emergencies and improve air quality by doubling the size of London's green economy by 2030 to accelerate job creation for all. The Mission identifies the opportunity to support London's recovery through tackling huge city and global challenges such as air pollution and the climate and ecological emergencies. By focussing on tackling these challenges, London can build towards a sustainable city that is fairer, greener and healthier while creating and sustaining jobs and economic growth.
- 1.5. The Mayor has developed innovative programmes such as Warmer Homes (focused on fuel poor owner occupiers and private renters) and Retrofit Accelerator – Homes (focused on social housing), and boroughs are also committed to decarbonise homes. However, retrofits are not yet being delivered at the pace required to meet 2050 net zero carbon targets, let alone 2030. The drive for a Green Recovery following Covid-19 provides an unparalleled opportunity to call for new investment into homes, including for the 'able to pay' sector¹, and new related skills and green jobs. The Committee on Climate Change and others have already called for home upgrades to be a key plank in the economic recovery and Government is starting to provide additional funding through the Green Homes Grant scheme.
- 1.6. To seize this opportunity and to build upon the London Environment Strategy objectives we now need a clear action plan to clarify the actions, changes and policy developments needed to retrofit of all London's homes to meet net zero carbon ambitions by 2030. The work has been identified as a joint action in the Green New Deal Mission plan co-owned by London Councils and the LA.
- 1.7. London Councils propose to procure consultancy support to produce a programme plan for getting homes to an average of EPC B standard across London (or another target which better conceptualises the level of ambition). The GLA works closely with London Councils and their proposal supports the aims of the Mayor's Retrofit Accelerator – Homes (RA-H) project, part of his Energy for Londoners

¹ Households with higher incomes or greater access to finance than associated with the social housing or households living in fuel poor conditions (although it is acknowledged that many "able to pay" households are capital constrained or may be at the margin of fuel poverty, and therefore in practice have limited ability to self-finance energy efficiency retrofit).

programme. RA-H provides London boroughs and housing associations the technical expertise they need to kick-start 'whole-house' retrofit projects across the capital. It also helps build the supply chain and business case to accelerate the retrofit revolution for private homes.

- 1.8. London Councils have requested £25,000 grant funding from the GLA to enable them to procure consultancy support to undertake this important piece of work. GLA support will ensure the outputs of the work align with mayoral ambitions and provide important evidence to support the Green New Deal Mission and delivery of the RA-H project and its evolution to accelerate retrofit in London. Funding would be paid upon signature of a Funding Letter.

2. Objectives and expected outcomes

- 2.1. The primary objective of this work is to, by May 2021, create a plan that will provide a blueprint for action on retrofitting London's homes to EPC B (or another target which better conceptualises the level of ambition), by 2030.

- 2.2. Specific tasks identified as part of the work include:

- consult and collaborate with London Boroughs to assess the deliverability of the 2030 objective and shape the strategy accordingly;
- explore options for governance structures and resourcing to serve those structures that can oversee and direct the action plan in practice;
- analyse the scale of the challenge by discerning the current energy efficiency status of London's homes and what the cost will be to remediate to EPC B;
- map how far we can go with the available resources and policy suite i.e. what can be achieved without new funding or legislation;
- develop lobbying asks which can be utilised to intensify the campaign for funding and policy change necessary to meet the 2030 target; and
- to monitor actual progress in the retrofitting of homes across London and the role and effectiveness of the retrofit action plan in that progress.

3. Equality comments

- 3.1. The public sector equality duty requires the identification and evaluation of the likely potential impacts, both Under Section 149 of the Equality Act 2010 (the "Equality Act") as public authorities, the Mayor and the GLA must have due regard to the need to eliminate unlawful discrimination, harassment and victimisation, and to advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not. Protected characteristics under the Equality Act comprise age, disability, gender re-assignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage or civil partnership status.
- 3.2. This work furthers actions and policies set out in the London Environment Strategy (e.g. reducing carbon emissions from homes in London) which has been consulted on publicly and sought input from all groups and communities. All responses to those consultations were analysed to help ensure the Strategy reflects diverse views and needs.
- 3.3. The findings from the proposed work procured by London Councils will further help the Mayor to identify the most appropriate mechanisms to facilitate the acceleration of home energy retrofits and especially ensuring that the report identifies the challenges and barriers to engaging with households from across the protected characteristics, as set out above, and identify how best to include them and engage them in these activities and secure the benefits for them.

4. Other considerations

a) Key risks and issues

Risk/issue	Mitigating actions
1. Insufficient budget	London Councils have received competitive quotes and confirm that £25,000 is needed from the GLA. London Councils have also identified their budget contribution. If costs do rise for any reason any increases will be covered by London Councils.
2. Project not completed on time	Consultancy support will be procured and managed by London Councils with dedicated resource. GLA officers will be closely involved with project management and envisage work can complete by 31 May 2021. The work is largely desk-based and so should not be delayed by impacts of Covid-19.
3. Action plan does not align with mayoral ambitions	GLA officers will be involved in project inception meetings as well as regular project meetings throughout the duration of this work to help steer and inform the chosen contractors.
4. Boroughs do not sufficiently 'buy in'	London Councils will appoint a consultant with adequate facilitation experience to ensure that disparate stakeholder expectations are catered for. GLA officers and London Councils staff will also work to ensure that consensus is reached on the finalised Action Plan. Homes retrofit has already been identified as a key action by London Councils and they have nominated two lead boroughs to drive forward activity in this area.

b) Links to Mayoral Strategies and priorities

- 4.1. This work is driven by the Mayor's Environment Strategy, which sets ambitious targets across several aspects of the environment. The Mayor alone does not have the power or funding to deliver all targets, including a net zero carbon London. The outputs of this work will provide important evidence to support the development and delivery of mayoral programmes to accelerate homes retrofit in London.

Green New Deal and London Recovery work

- 4.2. The Green New Deal Mission has been designed with in collaboration with boroughs and London Councils, taking account of the views of Londoners and stakeholders. The mission has set the challenge of tackling the climate and ecological emergencies and improve air quality by doubling the size of London's green economy by 2030 to accelerate job creation for all. The mission identifies the opportunity to support London's recovery through tackling huge city challenges like improving London's homes and workplaces to reduce their energy demand and carbon emissions.

c) Conflicts of Interest

- 4.3. There are no conflicts of interest to note for any of the officers involved in the drafting or clearance of this decision form.

5. Financial comments

- 5.1. Approval is sought for the awarding of grant funding for consultancy cost towards the Mayor's Retrofit Accelerator – Homes project. This project is being administered by our London Recovery Board co-chair London Councils who will procure a consultant to develop a plan of how the LRB can retrofit London's homes to an average standard of EPC level B by 2030. This decision seeks to award London Councils £25,000 in grant funding, which will be sourced from the available resources in the 20-21 Zero Carbon budget held within the Environment unit.
- 5.2. A forward funding approach is being taken with regards to payment of the grant award, therefore this will be paid in advance once a grant funding letter has been signed by relevant parties. The project is expected to take place in March 2021.

6. Planned delivery approach and next steps

Activity	Timeline
Award of contract [for externally delivered projects]	End of Feb 2021
Delivery Start Date [for project proposals]	End of Feb 2021
Draft report for discussion	April 2021
Delivery End Date [for project proposals]	31 May 2021
Project Closure: [for project proposals]	31 May 2021

Appendices and supporting papers:

None.

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after it has been approved or on the defer date.

Part 1 - Deferral

Is the publication of Part 1 of this approval to be deferred? NO

If YES, for what reason:

Until what date: (a date is required if deferring)

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to
confirm the
following (✓)

Drafting officer:

Matthew Thomas has drafted this report in accordance with GLA procedures.

✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 1 March 2021.

ASSISTANT DIRECTOR OF FINANCIAL SERVICES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature

Anna Gustolt

Date

1 March 2021