

MAYOR OF LONDON

Sian Berry AM

Chair of the Housing Committee

C/o Stephanie.Griffiths@london.gov.uk

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Date: 14 December 2021

Dear Sian,

Thank you for your letter of 6 October regarding the London Assembly Housing Committee's recent investigation into retrofitting London's housing stock and setting out a series of recommendations. I am sorry for the delay in responding.

Earlier this year, I declared a Retrofit Revolution with a bold package of new measures to accelerate action on a key source of emissions in London. Following the COP26 summit, it is vital that we show how London is leading the way with our Green New Deal.

London's homes and workplaces are responsible for 78 per cent of the capital's carbon emissions and virtually all will need some level of retrofitting over this decade. The capital's social housing urgently needs upgrading to be as energy efficient as possible with improvements including better insulation, low-carbon heat and clean power sources, to deliver my climate targets and tackle the growing issue of fuel poverty. I am pleased to say that many of your recommendations were already set out in my London Environment Strategy (2018) and are already being taken forward through work by the Greater London Authority (GLA) and London's boroughs, more recently through work under the Green New Deal mission of the London Recovery Board.

In your letter you refer to my Retrofit Accelerator – Homes (RA-H) Programme and its target to achieve 1,600 home retrofits by August 2022 and how this differs from the 130,000 homes retrofitted between 2009 and 2016 under the previous RE:NEW programme. It also references the 660 public sector buildings retrofitted in the same period under the RE:FIT programme.

As my Deputy Mayor for Environment and Energy, Shirley Rodrigues, explained to your Committee, unlike previous programmes such as RE:NEW (which installed small, 'light' measures such as draft proofing and LED bulbs), my RA-H focusses on much deeper, more complex, whole-house retrofit (e.g. installing renewable heating, solar PV, battery storage, solid wall insulation and smart controls simultaneously). This will substantively reduce emissions to almost zero while addressing some of the key drivers of fuel poverty and mitigating against homes overheating. This shift to deeper interventions in a smaller number of homes (rather than lighter interventions across many), is a necessity as we trial the complex approach of integrating many measures and understanding, and devising solutions to barriers such as skills, supply chain capacity and financing. The current government funding, through programmes such as the Green Homes Grant Local Authority Delivery and Social Housing Decarbonisation Fund now follow my approach. This is the reason the Department for Business, Energy & Industrial Strategy funded the GLA to support social housing providers across the country through the new Social Housing Retrofit Accelerator.

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Similarly, my Retrofit Accelerator – Workplaces has a greater focus on renewable heating and other deeper upgrades (e.g. rather than simple lighting upgrades delivered previously).

I am passionate about creating a market for deep building retrofit to ensure a faster pace of delivery. Without one, our climate targets will simply not be met. At a recent meeting of the London Recovery Board to discuss retrofitting and identify joint priorities it was agreed that, early next year, the GLA will host a Retrofit Summit with London Councils, bringing together the London Recovery Board members, retrofit supply chains, financiers, building owners and providers, and others, to coordinate and inspire action and set a path for retrofit action this decade.

In Appendix 1 below, I have outlined further responses to your enquiries and recommendations.

I look forward to working with you and the Committee to accelerate action.

Yours sincerely,



Sadiq Khan
Mayor of London

2030 Modelling

Q. Provide details of the modelling for London to be net zero by 2030 once completed.

A. We have commissioned Element Energy (a specialist consultancy) to update the Mayor's zero carbon pathway model for his 2030 net zero ambition. It will also need to reflect Government strategies such as the Net Zero Strategy.

It is expected this will be published early in 2022, alongside a report summarising the assumptions and outcomes.

Heritage and Conservation

We recommend:

a) that you inform the Committee of the outcome of your mapping exercise and commissioned review of planning issues with respect to retrofit and solar energy

The outcomes of the commissioned review of planning issues will be available at the end of the year and the Committee will be informed of the outcome as requested. Further work on planning approaches to support implementation of the Solar Action Plan will also be shared when these are available.

b) that you advise whether there are any opportunities for you to use your planning powers to make it easier to secure consent for installation of solar panels across more areas of London and help Londoners to understand the rules governing installation of solar panels for listed buildings and conservation areas

The Mayor is doing all he can to encourage the take-up of solar panels through the London Plan and his work with boroughs but does not have direct powers to secure consents for the installation of solar panels including on existing buildings.

The London Plan continues to successfully secure solar PV installations on new build developments. Policy SI 2 requires planning applicants to maximise roof areas for solar PV as part of meeting the Mayor's net zero carbon target.

In 2020, we saw a huge increase in new solar PV capacity secured in developments referred to the Mayor; a total capacity of 14.4MWp (up from 6.7MWp secured in 2019) and an investment of nearly £17.7m. Since 2016, 36.4MWp of new solar PV capacity has been secured through new developments complying with London Plan policy.

The success of the net zero carbon policy and the new solar PV capacity it is resulting in, demonstrates the importance of local authorities retaining powers to set standards beyond national building regulations.

c) that this work results in more consistent conservation policies within boroughs to be as supportive as possible of retrofit and renewable energy.

Boroughs are responsible for setting conservation policies. However, the mapping exercise referenced above is intended to support boroughs in creating a consistent approach. In addition, the Retrofit London Housing Action Plan includes an action to enable planning to facilitate low carbon retrofit, including in conservation areas, which is being taken forward by the two lead boroughs Enfield and Waltham Forest.

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Energy Company Obligation

We recommend that you continue to lobby for ECO spending which better matches what Londoners pay for energy and push the Government to ensure that London receives fair financial support or sufficient powers to raise this finance itself.

Energy Company Obligation (ECO) is the obligation on energy providers to deliver energy efficiency measures in homes – increasingly fuel poor homes. Historically London has received around 6-7% of ECO share despite having 13% of the population and a similar share of the national housing. Under the current round of ECO this would be around £83m annually (of £640m available), when we currently receive less than £30m. The fourth round of ECO, from April 2022, will be worth £1bn annually. Our fair share of this would be £130m.

ECO is key to tackling fuel poverty, which continues to be a growing problem; London has the third highest level of fuel poverty in the country, with Barking and Dagenham having the highest of any local authority in England.

The Mayor continue to advocate for London's fair share of ECO funding through discussions with and letters to the Secretary of State, including through his Comprehensive Spending Review bid. He welcomes jointly lobbying on this matter.

Private Rented Sector

We recommend that you bring together private sector landlords and tenants to look at barriers to retrofit and the ways in which Government or local government action could overcome them.

As part of the Mayor's work with London Councils, in preparation for the Retrofit Summit next year, we will be bringing together landlords and tenants to consider the barriers to retrofit and actions necessary to overcome them.

In the meantime, and to address the lack of government interventions, the Mayor's pioneering Warmer Homes programme continues to support the private rented sector. Residents who live in London who own or privately rent their home (including private landlords with an eligible tenant), can access funding to improve the energy performance of their home. On 3 December, the Mayor reopened Warmer Homes as part of a new £51m package of support for the most vulnerable.

The Mayor is committed to accelerating improvements within the private rented sector. He has long advocated for the Government to devolve powers to City Hall to introduce a light-touch landlord registration scheme, to implement consistent property licensing and to allocate additional funding to ensure councils can consistently enforce against rogue landlords and agents in London. Through the Private Rented Sector Partnership, he has directly engaged with boroughs on retrofit and good practice, as well as delivering training on the Minimum Energy Efficiency Standard regulations to borough officers as part of his Better Renting programme.

Affordable Homes

For both the 2016-23 and 2021-26 Affordable Homes Programmes can you confirm

- a) the number of starts,**
- b) how many of those starts will deliver zero-carbon on-site**
- c) the carbon offsetting provided for those starts that will not deliver zero-carbon on-site**
- d) whether homes that are not currently zero-carbon have been built with consideration of the need for potential retrofit in future, for example by making them ready to take advantage of future improvements in technology**

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As of July 2021, the Mayor delivered 72,550 affordable housing starts in London as part of his Affordable Homes Programme (AHP) 2016-2023. Allocations for the AHP 2021-2026 were confirmed on 31 August 2021 and starts delivered as part of this programme are yet to commence.

All major developments that applied for planning permission in London from October 2016 onwards must meet the net zero carbon target, including those homes funded via the Mayor's AHP. The AHP 2021-2026 also introduces sustainability funding conditions that align and further strengthen the application of London Plan policies. These policies and programmes together will ensure that all major developments funded through the new AHP 2021-2026 will be required to be net zero carbon.

The Mayor's London Plan 2021 goes further by extending the net zero carbon target to all major development (including non-domestic development), requires high standards of energy efficiency and enables a shift from gas-based heating towards low carbon heating, such as heat pumps and heat networks. The London Plan's Be Seen Energy Monitoring policy also requires new major developments to monitor energy performance for five years following construction to reduce the performance gap that is seen between that which was envisioned for buildings at the design stage and the reality for residents. This transparency will help ensure we are building truly net zero carbon buildings, where economically and technically feasible. The London Plan also requires strategic developments to, for the first time, reduce embodied carbon emissions from all aspects of a building's lifetime, targeting emissions associated with materials, construction and the end of life of the building.

How many homes will not meet sustainability commitments of new Affordable Homes Programmes over next five years

As outlined in the AHP 2021-2026 Funding Guidance, all developments funded through this programme must meet minimum sustainability standards that align with London Plan policies and exemptions are granted in limited circumstances. Only one named scheme in the initial bidding round was granted an exemption and this related to just one of the six sustainability standards. The exemption was granted for the urban greening factor standard (standard 5) and it was agreed on the basis that the planning submission was validated prior to the launch of the AHP 2021-2026 funding guidance.

We would welcome your advice on whether any homes from either the 2016-23 or the 2021-26 Affordable Homes Programme will require retrofit in future and a timescale for this

As noted above, all major developments that applied for planning permission in London from October 2016 onwards must meet the highest environmental standards (such as the net zero carbon target), including homes that are funded via the Mayor's AHPs. The Mayor's environmental sustainability policies are world leading and the impact of these policies on new build housing in London will minimise the need for any future retrofit. In the Government's new Net Zero Strategy: Build Back Greener, there is a commitment to introduce regulations from 2025 through the Future Homes Standard to ensure all new homes in England are ready for net zero by having a high standard of energy efficiency and low carbon heating installed as standard.