

# MDA No.: 1419

## Title: Environment Committee – Powering up London’s Renewable Energy Future

### 1. Executive Summary

1.1 At the Environment Committee’s meeting in June 2022 on energy efficiency the Committee resolved that:

*Authority be delegated to the Chair, in consultation with party Group Lead Members, to agree any output from the discussion.*

1.2 Following consultation with party Group Lead Members, the Chair is asked to agree the Committee’s report *Powering up London’s Renewable Energy Future*, as attached at **Appendix 1**.

### 2. Decision

2.1 **That the Chair, in consultation with party Group Lead Members, agrees the Committee’s report *Powering up London’s Renewable Energy Future*, as attached at Appendix 1.**

#### Assembly Member

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Printed Name: **Léonie Cooper, Chair of the Environment Committee**

Date: **15 May 2023**

### **3. Decision by an Assembly Member under Delegated Authority**

#### **Background and proposed next steps:**

- 3.1 The terms of reference for this investigation were agreed by the Chair, in consultation with relevant party Lead Group Members and Deputy Chairs, under the standing authority granted to Chairs of Committees and Sub-Committees. Officers confirm that the report and its recommendations fall within these terms of reference.
- 3.2 The exercise of delegated authority approving the report will be formally noted at the Environment Committee's next appropriate meeting.

#### **Confirmation that appropriate delegated authority exists for this decision:**

Signature (Committee Services): Jack Booth

Printed Name: Jack Booth

Date: 15 May 2023

#### **Financial Implications: NOT REQUIRED**


Note: Finance comments and signature are required only where there are financial implications arising or the potential for financial implications.

Signature (Finance): Not Required

Date: Not Required

#### **Legal Implications:**

The Chair of the Environment Committee has the power to make the decision set out in this report.

Signature (Legal): 

Printed Name: Rory McKenna, Monitoring Officer

Date: 15 May 2023

Email: rory.mckenna@london.gov.uk

#### **Supporting Detail / List of Consultees:**

- Zack Polanski AM, Deputy Chair;
- Tony Devenish AM; and
- Hina Bokhari AM.

#### 4. Public Access to Information

- 4.1 Information in this form (Part 1) is subject to the FoIA, or the EIR and will be made available on the GLA Website, usually within one working day of approval.
- 4.2 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.
- 4.3 **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, until what date:

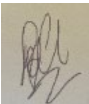
##### **Part 2 – Sensitive Information:**

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

Is there a part 2 form? NO

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#### **Lead Officer / Author**


Signature: 

Printed Name: Richard Clarke

Job Title: Senior Policy Advisor

Date: 15 May 2023

#### **Countersigned by Executive Director:**

Signature: 

Printed Name: Helen Ewen

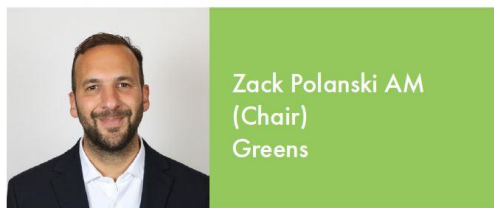
Date: 15 May 2023

**Powering up London's Renewable Energy  
Future**

Environment Committee

**LONDONASSEMBLY**

## Environment Committee



This investigation was carried out by the Environment Committee in 2022-23, with Zack Polanski as Chair, and the Assembly Members listed above.

The Environment Committee examines all aspects of the capital's environment, by reviewing the Mayor's strategies on air quality, water, waste, climate change and energy.

### Contact us

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## Foreword



**Zack Polanski AM**  
**Chair of the Environment Committee 2021-23**

Londoners are facing an unprecedented cost of living crisis, fuelled by soaring inflation and sky-high energy bills. Meanwhile, the clock is ticking on the Mayor's 2030 Net Zero target.

There is no silver bullet. But upgrading our buildings is about as close as it gets.

To deliver for Londoners, we need to retrofit our leaky building stock on mass. This means installing new energy efficiency measures to cut heating costs and stepping-up renewable energy installations to help power the city.

This is a must for a serious shot at Net Zero. And it will keep money in the pockets of Londoners, rather than topping up fossil fuel companies' record profits.

As this report makes clear, such a transformation requires a level of investment far in excess of what is currently on offer from the Government. But the Mayor has a key role to play in kickstarting change and ensuring London is on the right track to capitalise on future funding.

Following two panel investigations hosted by the Environment Committee, this report looks into how the Mayor's schemes have performed.

Although the Mayor has launched some schemes to directly address these challenges, the limited scale and success of these schemes is concerning. Mistakes must be learnt from and greater ambition is needed. We cannot miss Net Zero targets because we didn't invest enough or because the supply chain hasn't been made ready. These are solvable problems.

In the report, the Committee make a series of recommendations on how the Mayor can get existing schemes back on track and plug gaps where new schemes are needed.

Londoners are already paying the price for the capital's outdated building stock. It is time for the Mayor to confront London's energy crisis head-on.

## Executive summary

Energy policy is more important for Londoners than ever. High energy bills, worsened by energy-inefficient buildings, are putting a massive strain on households and businesses. Government subsidies to reduce bills, and cost-of-living support, are vital short-term measures. However, ultimately there needs to be a complete transformation in the energy efficiency of London's buildings and a revolution in low-carbon energy generation to save money and achieve net zero.

The scale of the issue demands a significant level of new investment. Two-thirds of London's carbon emissions come from buildings,<sup>1</sup> many of which are poorly insulated and waste energy. Currently, 400,000 homes in London still have single-glazed windows.<sup>2</sup> An estimated 2 million new heat pumps need to be installed by 2030 to meet net zero.<sup>3</sup> By then, 110,000 people need to be working across London's retrofit sector to deliver enough building upgrades for net zero.<sup>4</sup> Billions of pounds worth of public and private investment is therefore required to make the necessary changes to London's supply and use of energy. The Mayor has a target for 2GW of solar in London by 2050, with 1GW by 2030 – by the end of 2021 there was 217MW installed, up from 113MW in 2016, with 10 per cent of that from direct programmes by the Mayor.<sup>5</sup>

The Mayor must innovate and lead to make sure investment is delivered effectively, given commitments from both the current Government and the opposition to significantly increase retrofit funding in future.<sup>6</sup> He has launched some programmes to unlock private finance and enable public money to be deployed where it will have the most impact. However, despite their relatively small scale, some of his schemes have experienced issues in delivery – most notably Solar Together London, which aims to provide more affordable solar power through group purchasing, and has suffered a major issue because of failing with one of its providers.<sup>7</sup> This is significant, both for the consumers affected, who have experienced significant disruption and inconvenience, and for the wider reputation of the sector. It has also instigated a loss of trust in the GLA as the promoter of the initiative. Lessons must be learnt from the lack of effective oversight and risk management around the commissioning of installers, and the limited ability to secure effective delivery of services.

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<sup>1</sup> GLA, [Mayor and London Councils hold retrofit summit](#), 22 February 2022

<sup>2</sup> London Councils, [Retrofit London Housing Action Plan](#), October 2021, p.45

<sup>3</sup> London Assembly Environment Committee, [Transcript of Item 5 – Energy Efficiency](#), 28 June 2022

<sup>4</sup> [Letter from London Councils to the London Assembly Environment Committee](#), 29 July 2022

<sup>5</sup> GLA, Questions to the Mayor, [Solar PV installed capacity data in London \(2\)](#), 28 July 2022

<sup>6</sup> The Guardian, [Government plans £6bn to insulate UK houses and gives go-ahead for Sizewell C](#), 17 November 2022; The Guardian, [Labour says it will insulate 2m houses in first year to cut bills](#), 19 April 2022

<sup>7</sup> Energy Live News, [Solar panel firm suspended as London customers cautioned about deposits](#), 31 March 2023



In a similar way, the GLA's chosen approach to marketing green energy through London Power has stalled.<sup>8</sup> Fundamentally, this is because of wider issues in the energy market caused by high prices, which has reduced the scope for customers to switch suppliers.<sup>9</sup> London needs a skilled workforce big enough to deliver retrofit at scale. Over 200,000 homes need to be retrofitted every year to 2030 to meet net zero – although it is not clear where all the investment will come from to meet this goal.<sup>10</sup>

The Mayor is investing in his Academies Programme to facilitate the uptake of green skills. But he is not convinced there is long-term certainty in the retrofit job market, so Mayor-funded training courses for specific retrofit skills are still sparse. As a result, demand is presently outstripping supply. London boroughs have been mostly unable to take advantage of the funding that has been made available to them by the Government to deliver retrofits, such as the Social Housing Decarbonisation Fund and the Home Upgrade Grant.

The additional costs involved in retrofitting buildings in London mean that London typically receives relatively less funding in national allocations than it should, due to the way the government calculates its funding formula to UK regions.<sup>11</sup> Existing schemes typically target the poorest households, but many of these are not reached.<sup>12</sup>

Progress is being made, but not at the speed required to protect vulnerable households from high energy prices, nor to cut carbon emissions.

The Committee launched its investigation into energy in London in June 2022 and has held several Committee meetings on the topic with GLA representatives and sector experts. This includes meetings on energy efficiency (June 2022),<sup>13</sup> renewable energy (July 2022)<sup>14</sup>, green transition (December 2022)<sup>15</sup> and London's Environmental Priorities (January 2023);<sup>16</sup> and a meeting with the Deputy Mayor for Environment and Energy (March 2023).<sup>17</sup> The Committee has also received written evidence from organisations interested in this topic. The findings and recommendations in the Committee's report are informed by this evidence.

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<sup>8</sup> GLA, Questions to the Mayor, [London Power \(3\)](#), 18 October 2022

<sup>9</sup> GLA, Questions to the Mayor, [London Power \(3\)](#), 18 October 2022

<sup>10</sup> London Assembly Environment Committee, [Transcript of Item 5 – Energy Efficiency](#), 28 June 2022

<sup>11</sup> London Assembly Environment Committee, [Transcript of Item 5 – Energy Efficiency](#), 28 June 2022, p.13

<sup>12</sup> London Assembly Environment Committee, [Transcript of Item 5 – Energy Efficiency](#), 28 June 2022

<sup>13</sup> London Assembly Environment Committee, [Transcript of Item 5 – Energy Efficiency](#), 28 June 2022

<sup>14</sup> London Assembly Environment Committee, [Transcript of Item 6 – Renewable Energy](#), 19 July 2022

<sup>15</sup> London Assembly Environment Committee, [Transcript of Item 5 – A Green and Just Transition for London's Businesses](#), 7 December 2022

<sup>16</sup> London Assembly Environment Committee, [Transcript of Item 5 – Forum on London's Environmental Priorities in 2023](#), 10 January 2023

<sup>17</sup> London Assembly Environment Committee, [Transcript of Item 6 – Question and Answer Session with the Deputy Mayor, Environment and Energy](#), 9 March 2023

## Recommendations

### Recommendation 1

The Government should introduce a social tariff to ensure that the most vulnerable households are protected from high energy prices, particularly when the energy price cap increases in June.

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### Recommendation 2

The Mayor should continue to lobby the Government to make changes to its Energy Company Obligation (ECO) funding model to better reflect London's needs. The Mayor should also call for Stamp Duty incentives to deliver retrofit initiatives at scale.

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### Recommendation 3

The Government should review the definition of fuel poverty, considering how households are affected by elevated prices.

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### Recommendation 4

The Mayor should review the marketing and communications strategies for his energy-efficiency initiatives; and explore options to target specific groups, including older Londoners and Londoners from minority ethnic communities. This review should look at the accessibility of the language and terminology used by the GLA and partners to promote the initiatives. This should include consideration of marketing in other languages, while ensuring all marketing is cost-effective.

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### Recommendation 5

Given that GLA research suggests the Mayor's 2030 net-zero target requires millions of buildings in London to have heat pumps, insulation and connections to heat networks within the next seven years, there should be a clear retrofit strategy for building both the demand and capacity for retrofitting that will enable this.

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### Recommendation 6

The Mayor and London Councils should co-commission a feasibility study to understand the costs of establishing a comprehensive home-retrofit design service, available to able-to-pay groups of Londoners. Such a service should provide tailored (rather than generic) advice to Londoners.

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### Recommendation 7

The Government should implement its preferred option identified in its 2020 consultation, 'Improving the energy performance of privately rented homes in England and Wales'.

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### Recommendation 8

The Mayor should work with London Councils to drive up energy-efficiency standards in London for properties owned by private rented-sector landlords. This should include using the Fuel Poverty Partnership's private rented-sector working group, which the GLA leads, to identify actions to improve enforcement. This should include creating a London-wide forum for London boroughs to share enforcement best practice; and monitoring local energy plans to ensure the London boroughs are delivering them.

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### Recommendation 9

The Government and the Mayor should work with local authorities so that they have the resources to enforce the Minimum Energy Efficiency Standard regulations in the private rented sector, ensuring they have enough trained staff.

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### Recommendation 10

The Mayor should conduct a review of Green Skills Academies in 2023, to assess their impact on business engagement and skills development. The Mayor should use a larger proportion of the Adult Education Budget (AEB) to train people to take on retrofitting. The Mayor should also consider how to showcase green careers in the construction industry.

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### Recommendation 11

The Mayor should conduct a review of the Solar Opportunity Map with London boroughs and energy partners to assess the usefulness and application of the tool. He should set out a timeline for functionality improvements.

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### Recommendation 12

As a matter of urgency, the Mayor should review the GLA's contract with iChoosr to determine whether it is fit for purpose in identifying suitable solar-panel installers.

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### Recommendation 13

The Mayor should ensure financial protection for all Green Energy Together (GET UK) customers acquired via the Solar Together London programme who have been affected by the delivery issues. This should be aimed at ensuring GET UK customers pay no more than what was originally agreed in their contracts. This should include considering the provision of financial compensation for distress and damages caused to GET UK customers.

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### **Recommendation 14**

The Mayor should conduct a thorough review of Solar Together London in 2023 to learn from the issues that customers have experienced. He should consider how Solar Together London, and other future energy-efficiency and retrofit programmes, can learn from these issues.

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### **Recommendation 15**

Through the GLA's solar power initiatives, and its upcoming revised planning guidance to London boroughs, the Mayor should update the Solar Action Plan from 2018 to include targets to increase the installation of solar panels across London, including in conservation areas.

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### **Recommendation 16**

The Mayor should use his convening powers to establish a more formal mechanism for the GLA Group, and bodies from the wider public sector in London (such as the NHS and London boroughs), to coordinate their expansion of solar power. This would include sharing learning and best practice.

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### **Recommendation 17**

The Mayor should continue to fund community energy, supporting the pipeline of projects and finding ways to draw in local investors, to expand uptake of renewables on community buildings.

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### **Recommendation 18**

The Mayor should review London Power by July 2023, including its resilience in response to external factors and the role of the GLA in supporting it; and share any resulting report with this Committee.

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### **Recommendation 19**

The Mayor should publish interim annual targets for the proportion of renewable energy in power purchase agreements (PPAs) between now and 2030, and update the Committee on progress annually.

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## Chapter one: Prices and crises

### Recommendation 1

The Government should introduce a social tariff to ensure that the most vulnerable households are protected from high energy prices, particularly when the energy price cap increases in June.

Energy price rises in the past two years have significantly increased financial pressure on households and businesses across London.<sup>18</sup> Higher prices were initially caused by greater demand for energy than supply as countries emerged from the global COVID-19 pandemic; they then sharply increased in 2022, after Russia's invasion of Ukraine threatened energy security and led to countries storing more gas for future use.<sup>19,20</sup> Data from Ofgem shows that wholesale gas prices reached a peak of 593p/therm in August 2022, over 12 times higher than they had been in March 2021 (46p/therm).<sup>21</sup> While wholesale prices by January 2023 had subsequently fallen significantly to a level around a quarter of the peak, the price (161p/therm) was still three times higher than before.<sup>22</sup>

### Impact on Londoners

The energy price increases have had a significant impact on Londoners, with many groups reporting a rise in demand for energy support services. The London Borough of Islington runs a Seasonal Health Intervention Network (SHINE), which provides fuel poverty advice to people on low incomes and those with disabilities and health issues. SHINE reports that it has seen an increase in demand for its services since the start of COVID-19, which was exacerbated by the energy price rises. Demand in the first quarter of 2022-23 was 116 per cent higher than the first quarter of 2021-22.<sup>23</sup>

Citizens Advice told the Committee that 15,000 people accessed its crisis support between January and June 2022, representing a 50 per cent increase compared with the same period in 2021, and a 200 per cent increase compared with the same period in 2019.<sup>24</sup>

<sup>18</sup> UK Parliament, House of Commons Library, [Rising cost of living in the UK](#), 27 March 2023, pp.43-52

<sup>19</sup> UK Parliament, House of Commons Library, [Rising cost of living in the UK](#), 27 March 2023, pp.8-12

<sup>20</sup> World Bank Data Blog, [Bubble trouble: what's behind the highs and lows of natural gas markets?](#), 22 February 2023

<sup>21</sup> Ofgem, Wholesale market indicators, [Gas Prices: Forward Delivery Contracts – Weekly Average \(GB\)](#)

<sup>22</sup> Ibid

<sup>23</sup> London Assembly Environment Committee, [Transcript of Item 5 – Energy Efficiency](#), 28 June 2022, p.1

<sup>24</sup> London Assembly Environment Committee, [Transcript of Item 5 – Energy Efficiency](#), 28 June 2022, p.23

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*“We have also seen many more people contacting us about prepayment meters and also extreme increase on traffic to our website on grants and benefits to help you pay your energy bills. We know that people are struggling and they are looking for help. We are going to see that trend continue. I do not see that really changing.”<sup>25</sup>*

**Cara Holmes, Senior Policy Adviser  
Citizens Advice**

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During the Committee's evidence sessions, the GLA explained that key Mayoral initiatives, such as the Warmer Homes Advice Service, had experienced an increase in demand from Londoners. The GLA's Assistant Director for Environment and Energy, Catherine Barber, told the Committee in June 2022, “The demand for that is only going to go up.”<sup>26</sup>

Cara Holmes, Senior Policy Adviser at Citizens Advice, also told the Committee:

*“Over half of adults in London have less than £300 left each month after paying for essential bills. In the six months to January 2022, 41 per cent of adults in London experienced financial hardship; 23 per cent had less than £1,000 in savings and 28 per cent are in debt.”<sup>27</sup>*

Citizens Advice has since published research suggesting that, in 2022, the number of clients nationally with energy debt problems had increased by 19 per cent since 2021.<sup>28</sup>

## Support with energy costs

### UK Government initiatives

The UK Government has provided support to households and businesses to help them cope with higher prices, which has helped reduce the impact of the extreme price increases, but prices remain much higher than previous levels.<sup>29</sup>

Since 2019, energy prices for households have been managed by Ofgem through the energy price cap, which sets an absolute, top-level price per unit of electricity and gas for customers on domestic default tariffs.<sup>30</sup> During 2021 and 2022, the cap was increased several times, including an 80 per cent increase announced in August 2022 that would come

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<sup>25</sup> London Assembly Environment Committee, [Transcript of Item 5 – Energy Efficiency](#), 28 June 2022

<sup>26</sup> Ibid

<sup>27</sup> Ibid

<sup>28</sup> Citizens Advice, [Tackling energy debt: Assessing options to address the growing energy debt crisis](#), March 2023

<sup>29</sup> UK Parliament, House of Commons Library, [Energy bills and the price cap](#), 1 September 2022, p.33

<sup>30</sup> UK Parliament, House of Commons Library, [Energy bills and the price cap](#), 1 September 2022



into effect on 1 October 2022. This increase would have meant that a 'typical' household would pay an annual bill of £3,549.<sup>31</sup>

To limit price increases for households, in October 2022 a new Energy Price Guarantee was introduced, set at £2,500 for typical levels of consumption, with the Government subsidising the lower cost. The policy around this has changed several times, but will remain at this amount until the end of June 2023, when it will increase to £3,000. In addition, in autumn 2022 the Government also introduced a £400 discount for households over six months, paid as a monthly credit from their energy supplier, the Energy Bills Support Scheme.<sup>32</sup>

For non-domestic households, the Government provided an Energy Bill Relief Scheme from 1 October 2022 until the end of March 2023, which limited the unit costs of gas and electricity prices.<sup>33</sup> This was replaced by the Energy Bills Discount Scheme, which will run for 12 months from 1 April 2023 to 31 March 2024, and provides a discount if prices are above a threshold price – for gas this is £19.61 per megawatt hour (MWh), with a price threshold of £302 per MWh.<sup>34</sup> The Committee welcomes the support provided by the Government through its Energy Bill Relief Scheme, while recognising that, even with this support, many Londoners are still struggling and face long-term financial uncertainty.

### Mayor's support

The Mayor has also provided additional information to help Londoners cope with increases in energy prices<sup>35</sup> – including sharing the locations of Warm Spaces across the capital;<sup>36</sup> information about the Warmer Homes scheme;<sup>37</sup> and energy advice for Londoners.<sup>38</sup> These are discussed in more detail in chapter two.

### Calls for further support

In response to higher energy costs, several charities have called for the Government to introduce a 'social tariff' for energy. In March 2023, a report by Citizens Advice and the think tanks Public First and the Social Market Foundation, backed by Martin Lewis, explored the potential for a social tariff, whereby eligible households would get a lower unit rate for energy.<sup>39,40</sup> In April 2023, Which? called for the Government to introduce a social tariff for

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<sup>31</sup> UK Parliament, House of Commons Library, [Energy bills and the price cap](#), 1 September 2022, p.33

<sup>32</sup> UK Government, [Help with your energy bills](#)

<sup>33</sup> UK Government, [Energy Bill Relief Scheme: help for businesses and other non-domestic customers](#), 20 March 2023

<sup>34</sup> UK Government, [Energy Bills Discount Scheme](#), 27 March 2023

<sup>35</sup> GLA, [Help with the cost of living](#)

<sup>36</sup> GLA, [Warmer Spaces – Find a Warmer Space in your borough](#)

<sup>37</sup> GLA, [Warmer Homes](#)

<sup>38</sup> Energy Saving Trust, [Energy advice for London](#)

<sup>39</sup> Social Market Foundation and Public First, [Fairer, warmer, cheaper: New energy bill support policies to support British households in an age of high prices](#), March 2023

<sup>40</sup> MoneySavingExpert, [Energy social tariff could save vulnerable households up to £1,500 a year – here's how it could work](#), 8 March 2023

the most vulnerable households.<sup>41</sup> In January 2023, Jonathan Brearley, chief executive of Ofgem, told MPs on the House of Commons Business, Energy and Industrial Strategy Select Committee it was examining whether a subsidy could be introduced to create a level playing field.<sup>42</sup> The Committee is especially concerned that the poorest Londoners cannot presently access affordable energy, particularly with the energy price cap due to increase in June.

## Climate priorities

Alongside the current energy-price crisis, addressing the climate crisis also requires urgent decarbonisation of London's energy supply and improved energy efficiency.

The energy consultancy Element Energy was commissioned by the GLA to explore the requirements to achieve net zero by 2030.<sup>43</sup> The resulting Element Energy report indicates that a 37 per cent reduction in total heat demand of domestic buildings is needed, and states: "Energy efficiency retrofit is necessary for low carbon heating to be cost-effective and to deliver suitable levels of comfort for consumers."<sup>44</sup> This would involve retrofitting 210,000 homes in London each year.<sup>45</sup>

During the Committee's investigation, the GLA discussed the scale of the challenge of achieving the Mayor's net-zero ambition by 2030. At the June 2022 Environment Committee meeting, the GLA's Assistant Director for Energy and Environment told the Committee: "Getting to net zero requires 200,000 homes to be retrofitted each year. We are nowhere near that at the moment."<sup>46</sup> More generally, the Committee heard that approximately £75 billion of climate-related investment was needed in London by 2030.<sup>47</sup>

The Mayor has published a Climate Budget, which explains the climate contributions of all functional bodies in the GLA Group.<sup>48</sup> This is a welcome first step in identifying and quantifying the GLA Group's impact on the climate. Within the budget, the functional bodies detail their action plans to deliver net-zero carbon emissions by 2030.<sup>49</sup> These commitments are followed up further in chapter eight.

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<sup>41</sup> *The Guardian*, [Calls for energy 'social tariff' as UK government support ends](#), 4 April 2023

<sup>42</sup> UK Parliament, House of Commons Business, Energy and Industrial Strategy Committee, [Oral evidence: Energy price support, HC 980](#), 31 January 2023

<sup>43</sup> Element Energy, [Analysis of a Net Zero 2030 Target for Greater London](#), 18 January 2022

<sup>44</sup> Ibid

<sup>45</sup> Element Energy, [Analysis of a Net Zero 2030 Target for Greater London](#), 18 January 2022, p10

<sup>46</sup> London Assembly Environment Committee, [Transcript of Item 5 – Energy Efficiency](#), 28 June 2022

<sup>47</sup> Ibid

<sup>48</sup> GLA, [The Mayor's Budget for 2023-24](#), 23 February 2023

<sup>49</sup> GLA, [The Mayor's Budget for 2023-24 – Appendix J: Climate Budget Measures](#), 23 February 2023

## Chapter two: Energy efficiency and retrofitting

### Recommendation 2

The Mayor should continue to lobby the Government to make changes to its ECO funding model to better reflect London's needs. The Mayor should also call for Stamp Duty incentives to deliver retrofit initiatives at scale.

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### Recommendation 3

The Government should review the definition of fuel poverty, considering how households are affected by elevated prices.

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### Recommendation 4

The Mayor should review the marketing and communications strategies for his energy-efficiency initiatives; and explore options to target specific groups, including older Londoners and Londoners from minority ethnic communities. This review should look at the accessibility of the language and terminology used by the GLA and partners to promote the initiatives. This should include consideration of marketing in other languages, while ensuring all marketing is cost-effective.

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### Recommendation 5

Given that GLA research suggests the Mayor's 2030 net-zero target requires millions of buildings in London to have heat pumps, insulation and connections to heat networks within the next seven years, there should be a clear retrofit strategy for building both the demand and capacity for retrofitting that will enable this.

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### Recommendation 6

The Mayor and London Councils should co-commission a feasibility study to understand the costs of establishing a comprehensive home-retrofit design service, available to able-to-pay groups of Londoners. Such a service should provide tailored (rather than generic) advice to Londoners.

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### Recommendation 7

The Government should implement its preferred option identified in its 2020 consultation, 'Improving the energy performance of privately rented homes in England and Wales'.

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## Recommendation 8

The Mayor should work with London Councils to drive up energy-efficiency standards in London for properties owned by private rented-sector landlords. This should include using the Fuel Poverty Partnership's private rented-sector working group, which the GLA leads, to identify actions to improve enforcement. This should include creating a London-wide forum for London boroughs to share enforcement best practice; and monitoring local energy plans to ensure the London boroughs are delivering them.

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## Recommendation 9

The Government and the Mayor should work with local authorities so that they have the resources to enforce the Minimum Energy Efficiency Standard regulations in the private rented sector, ensuring they have enough trained staff.

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The current energy crisis shows the need for significant investment in energy efficiency and renewable energy. It highlights that, over the past decade, progress in these areas has not been sufficient in responding to these challenges.

While energy prices were stable for much of the past decade, until the current crisis, the installation rate of insulation has declined. By 2020, the rate of loft and wall insulation measures going into houses under government schemes was 95 per cent lower than in 2012.<sup>50</sup> Some of this decline is because many homes have already installed low-cost measures, such as loft insulation. However, in 2019 the House of Commons Business, Energy and Industrial Strategy Select Committee found that there was still significant potential for more insulation to be installed that would be cost-effective.<sup>51</sup>

The UK has the oldest housing stock in Europe; and British homes use more energy than typical homes in other nations across Europe.<sup>52</sup> London's buildings are responsible for two-thirds of the capital's carbon emissions.<sup>53</sup> The Committee on Climate Change (CCC) has stated that, in many areas, current national policy is failing to drive uptake of energy-efficiency measures in homes, including uptake of highly cost-effective measures, such as loft insulation. The CCC has observed that the uptake of loft and wall insulation must be increased, and that 'policy needs to incentivise efficient long-term investments, rather than piecemeal incremental change'.<sup>54</sup> It also stated that, nationally, 'given soaring energy bills, there is a shocking gap in policy for better insulated homes'.<sup>55</sup>

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<sup>50</sup> UK Parliament, House of Lords Library, [Home insulation and the net zero target](#), 17 June 2020

<sup>51</sup> UK Parliament, House of Commons Business, Energy and Industrial Strategy Committee, [Energy efficiency: building towards net zero](#), 9 July 2019

<sup>52</sup> Climate Change Committee, [Independent Assessment: The UK's Heat and Buildings Strategy](#), March 2022, p.10

<sup>53</sup> GLA, [Mayor and London Councils hold retrofit summit](#), 22 February 2022

<sup>54</sup> UK Parliament, House of Lords Library, [Home insulation and the net zero target](#), 17 June 2020

<sup>55</sup> Climate Change Committee, [Current programmes will not deliver Net Zero](#), 29 June 2022

In 2018, analysis for the Mayor's 1.5C Compatible Plan identified over 2 million homes in London that would require retrofits: 885,000 requiring cavity wall insulation, and 1,295,000 requiring solid wall insulation.<sup>56</sup> Through his Warmer Homes and Retrofit Accelerator (Homes) programmes, the Mayor states he is 'directly supporting the installation of solid wall insulation'. However, he also states that he does not 'currently have the powers or funding to drive all the activity needed'.<sup>57,58</sup>

At the Committee's December 2022 meeting on green transition, Mark Jenkinson, a member of the London Chamber of Commerce and Industry, explained how businesses have also been significantly affected by the price increases, and that many are struggling to survive.

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*"For most businesses, costs have gone up probably almost threefold for some of the energy costs, which I guess you could argue would then be a good move to start to think about retrofitting. The issue is that you are still thinking about: 'Will I be still in business in a year's time? If I replace my lighting with light-emitting diode (LED) lighting, the payback may be two years, but will I still be around?' That is one of the things that we need to look at."*

**Mark Jenkinson, Member**  
**London Chamber of Commerce and Industry<sup>59</sup>**

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## Improving energy efficiency through retrofitting

The main way in which energy efficiency is measured in domestic properties is through Energy Performance Ratings, the findings of which are captured in an Energy Performance Certificate (EPC) for each property. The Government holds data on EPC ratings for properties dating back to 2007.<sup>60</sup> While average energy efficiency is generally improving across London due to new buildings having improved insulation, there remain many older properties with poor energy-efficiency ratings.

Citizens Advice evidence to the Committee suggested that over half of homes in London are below an EPC rating of C. Cara Holmes told the Committee: "This is a big challenge, and we need to see a commitment that is commensurate to the challenge."<sup>61</sup>

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<sup>56</sup> Arup, [Technical Assistance for London Work Package 2 – Zero Carbon Building Policies](#), 17 August 2018

<sup>57</sup> GLA, Mayoral Questions, [Wall Insulation \(1\)](#), 20 December 2022

<sup>58</sup> GLA, Mayoral Questions, [Wall Insulation \(2\)](#), 20 December 2022

<sup>59</sup> London Assembly Environment Committee, [Transcript of Item 5 – A Green and Just Transition for London's Businesses](#), 7 December 2022

<sup>60</sup> Office for National Statistics, [Energy efficiency of housing in England and Wales: 2022](#), 25 October 2022

<sup>61</sup> London Assembly Environment Committee, [Transcript of Item 5 – Energy Efficiency](#), 28 June 2022, p.24

The GLA has worked with London Councils to better understand the challenges of retrofitting across London's diverse housing stock. In July 2021, it published a commissioned report by Parity Projects on the energy-efficiency position of London's housing stock.<sup>62</sup> The London Councils Retrofit London Housing Action Plan acknowledges that 400,000 homes in London still have single-glazed windows. More generally, the Parity Projects analysis suggests that window and external door upgrades are required in 1.5 million homes.<sup>63</sup>

## Funding

London needs significant investment in retrofitting to improve the energy efficiency of its buildings. There is a need for long-term funding streams to support energy efficiency in London. Nadia Smith, a representative of South East London Community Energy, told the Committee:

*“What we would like to see is a London-wide or regional approach to retrofit and for those funding schemes to be, as mentioned before, reliable and long-term. Retrofit is something that does take a long time to deliver.”<sup>64</sup>*

London Councils submitted written evidence to the Committee on the need for further government funding. This highlighted that at least £49 billion is needed to retrofit all of London's homes to achieve an EPC rating of level B by 2030.<sup>65</sup>

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*“Funding is one of the largest barriers to retrofit, there is a need for continued lobbying of central government regarding long-term funding to deliver retrofit at scale, and in-line with London boroughs' 2030 climate pledge. Lobbying central government for more creative solutions is also required (e.g. reducing Stamp Duty charges for low-carbon properties).”<sup>66</sup>*

**Mayor Philip Glanville**  
**Chair, London Councils Transport and Environment Committee**

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At the Committee's December 2022 meeting, the Deputy Mayor for Environment and Energy told the Committee:

*“The Mayor has been calling on a retrofit package for energy efficiency, whether it is for our homes or for businesses, for a long time, and he is not alone. Many businesses themselves have been calling for this. There is a huge economic opportunity there, whether it is from green jobs or reskilling people. What is needed is that loud, long*

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<sup>62</sup> Parity Projects, [London Councils: Pathways Report](#), 21 July 2021

<sup>63</sup> London Councils, [Retrofit London Housing Action Plan](#), October 2021, p.45

<sup>64</sup> London Assembly Environment Committee, [Transcript of Item 5 – Energy Efficiency](#), 28 June 2022, p.25

<sup>65</sup> [Letter from London Councils to the London Assembly Environment Committee](#), 29 July 2022

<sup>66</sup> Ibid



*certainty of policy, not chopping and changing. A stable policy regime and a stable funding regime is needed.”<sup>67</sup>*

## ECO funding

One domestic energy-efficiency scheme is the Energy Company Obligation (ECO), which obliges medium and large energy suppliers to promote measures that improve the ability of low-income, fuel-poor and vulnerable households to heat their homes.<sup>68</sup>

In evidence to the Committee, the GLA's Assistant Director for Environment and Energy stated: “At the moment, ECO funding is often spent on properties where it is cheapest to achieve carbon and energy savings.” She also argued that the funding mechanism for retrofitting has not delivered as much for London as elsewhere: “If we had had the same formula for devolution that Scotland has had, I believe we would have received about three times more than we have over recent years.”<sup>69</sup>

The London Assembly and the Mayor have previously highlighted this issue. In October 2021, the Housing Committee wrote to the Government to request a review of the funding formula.<sup>70</sup> In parallel, the Mayor wrote to the Government regarding ECO funding as part of its submission to the 2021 Comprehensive Spending Review.<sup>71</sup> In its response, the Government did not address the ECO funding points raised in the submission.<sup>72</sup>

In the absence of a change in government policy in this area to date, the Mayor should explore other ways of galvanising support and momentum within London to lobby for national energy-efficiency funding changes.

One idea that campaigners have raised is the potential to use Stamp Duty as an incentive for retrofitting homes. The Energy Efficiency Infrastructure Group, a coalition of energy companies, think tanks and charities, wrote to the Chancellor in January 2022 stating: “An Energy Saving Stamp Duty Incentive [would] provide a long-term, revenue neutral, structural driver for retrofitting the UK's owner-occupied homes and for more sustainable new homes.”<sup>73</sup> The Green Building Council has also made the case for a low-energy adjustment to Stamp Duty.<sup>74</sup>

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<sup>67</sup> London Assembly Environment Committee, [Transcript of Item 5 – A Green and Just Transition for London's Businesses](#), 7 December 2022, p.5

<sup>68</sup> Ofgem, [Energy Company Obligation \(ECO\)](#)

<sup>69</sup> London Assembly Environment Committee, [Transcript of Item 5 – Energy Efficiency](#), 28 June 2022, p.13

<sup>70</sup> [Letter from the London Assembly Housing Committee to the Government re ECO funding formula](#), October 2021

<sup>71</sup> [Letter from the GLA to the London Assembly Environment Committee](#), 6 September 2022

<sup>72</sup> Ibid

<sup>73</sup> [Letter from the Energy Efficiency Infrastructure Group to the Chancellor of the Exchequer](#), 24 January 2022, p.1

<sup>74</sup> UK Green Building Council, [A housing market catalyst to drive carbon emission reductions: Low energy adjustment to Stamp Duty Land Tax](#), April 2021

## Other sources of funding

London boroughs can also use money from carbon offset funds to support retrofit measures in their areas. The Mayor published guidance in July 2022 for local authorities about how to do this, using funds contributed by developers where a development has maximised all on-site reductions but has not met the London Plan target of being net zero carbon.<sup>75</sup>

In 2021, the GLA received a £3.45 million government grant to host a one-year pilot national Centre of Excellence to provide workshops, webinars and tailored one-to-one sessions to support social housing operators access funding to improve the efficiency of their buildings.<sup>76</sup> Catherine Barber highlighted London's leading role in this work nationally, and told the Committee that this investment had helped leverage further funding for retrofitting. She added that the capacity-building support was being provided by the Department for Business Energy and Industrial Strategy (BEIS) directly:

*“The GLA was very involved in in 2021/22 through the Social Housing Retrofit Accelerator, which grew out of a programme that we ran in London looking towards grant funding from central Government, which was significant but people did not know how to apply or they did not have projects or they were not confident about it. We ran a lot of masterclasses, briefings, trainings, workshops, etc. BEIS liked the way that we had done it in London and invited us to do it for all of England. For a year, we ran that service all across the country and trained 5,000 people, 725 organisations, to come up with those sorts of projects and put them in for that central grant funding. Out of the 69 total bids that BEIS accepted, 66 had been supported by the GLA through that Social Housing Retrofit Accelerator service. We were really proud of that. BEIS has now decided to do that in-house. They have adopted our methodology and we have spent time with them talking about what worked and what did not. That handholding is really important.”<sup>77</sup>*

Chetan Lad, the GLA's interim Head of Energy, explained that the accelerator is 'designed to help social housing providers get some of the technical support and advice that they need to kick off their projects and help them apply for some of this government funding, and then help them make their business case internally to free up their own capital.'<sup>78</sup>

The Government has provided funding for energy initiatives in London boroughs through its Decarbonisation Funds. To date, there have been two rounds of funding, with the most recent round, published in March 2023, allocating £131.5 million to London through the

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<sup>75</sup> GLA, [Carbon Offset Funds](#), July 2022

<sup>76</sup> GLA, Mayoral Decisions, [MD2806 Retrofit Accelerator – Homes, Centre of Excellence](#), 15 March 2021

<sup>77</sup> London Assembly Environment Committee, [Transcript of Item 5 – Energy Efficiency](#), 28 June 2022

<sup>78</sup> Ibid

Social Housing Decarbonisation Fund, and £44.3 million through the Public Sector Decarbonisation Scheme.<sup>7980</sup>

In addition, the Government's Home Upgrade Grant: Phase 2 was announced in March 2023, which provides funding from April 2023 until March 2025. This awarded £12 million to the GLA, as leader of a consortium of 31 London boroughs.<sup>81</sup>

## Helping improve energy efficiency for fuel-poor households

Through its energy-efficiency programmes, the GLA states it is targeting the most fuel poor Londoners. However, the eligibility criteria for support, informed by fuel poverty definitions, exclude Londoners who need help, and communicating the support to those Londoners who are eligible is challenging.

The GLA's Warmer Homes programme, which includes the Warmer Homes Advice Service – delivered across the whole of London by the London boroughs of Islington, Lewisham, and Kensington and Chelsea – has had some success in supporting Londoners to improve domestic energy efficiency. The Warmer Homes Advice Service has supported 14,700 households since its inception.<sup>82</sup> Launched in 2018, there have been three rounds of funding for the Warmer Homes programme, with the most recent round (2022-23) worth £43 million. The Warmer Homes programme has improved over 3,000 homes since 2018, increasing from 578 in 2018-19 to 1,190 in 2022-23.<sup>83</sup> Grants of between £5,000 and £25,000 were available to eligible low-income homeowners and private tenants, with funding depending on the existing energy-efficiency rating, tenure and current fuel type.<sup>84</sup> The average grant to a household in the current phase of the programme (round 3) was £10,375.<sup>85</sup> The majority of the most recent funding (£40.2 million) came from BEIS through its Sustainable Warmth Grant competition, with the Mayor contributing £2.6 million.<sup>86</sup> This funding is for around 3,205 homes.<sup>87</sup>

The Warmer Homes programme has strict eligibility criteria. Chetan Lad told the Committee in June 2022:

*“We are looking for, generally, people in the lowest energy-efficiency homes and on certain benefits. In some ways, while a lot of people are suffering from fuel poverty, it*

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<sup>79</sup> UK Government, [Social Housing Decarbonisation Fund Wave 1 – successful bids](#), 7 February 2022

<sup>80</sup> UK Government, [£1.8 billion awarded to boost energy efficiency and cut emissions of homes and public buildings across England](#), 22 March 2023

<sup>81</sup> UK Government, [Home Upgrade Grant: Phase 2 successful local authorities](#), 22 March 2023

<sup>82</sup> GLA, [Mayor urges Londoners to apply for grants from his Warmer Homes scheme](#), 31 May 2022

<sup>83</sup> GLA, Questions to the Mayor, [Warmer Homes Programme \(1\)](#), 25 January 2023

<sup>84</sup> GLA, [Warmer Homes](#)

<sup>85</sup> GLA, Questions to the Mayor, [Warmer Homes Programme \(4\)](#), 25 January 2023

<sup>86</sup> GLA, Mayoral Decisions, [MD3010 Warmer Homes 3 and Warmer Homes Advice Service](#), 7 November 2022

<sup>87</sup> GLA, Questions to the Mayor, [Warmer Homes Programme \(3\)](#), 20 December 2022

*can be hard to find and target the right people who are eligible for some of these schemes.”<sup>88</sup>*

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*“Some of the wins that we have seen, I would say, for the fuel-poor sector is definitely Warmer Homes 3. We think that it is a brilliant mechanism for supporting people. We have found that the eligibility criteria are quite complex and hard to communicate, but it is hitting, we think, the right people, so building on that, increasing the availability of that and making sure that the delivery of the scheme is as efficient and smooth-running as it can be.”<sup>89</sup>*

**Nadia Smith, Representative**  
**South East London Community Energy**

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The GLA's criteria to inform the targeting of its energy-efficiency initiatives on poorer households, such as the Warmer Homes programme, are, in part, informed by the Government's definition of fuel poverty. For example, the question-and-answer page for the Government's Sustainable Warmth grant, which provides the funding for the Mayor's Warmer Homes programme, states:

*“[Local authorities] could use a £30k income threshold or propose an evidence-backed alternative methodology to target low-income households that are likely to be living in fuel poverty. This may have included total household incomes above the £30k threshold in certain areas where higher housing costs mean the resultant household income after housing costs is likely to be below £20k, or where the household composition means that incomes are stretched.”<sup>90</sup>*

The Government's definition, known as the Low Income Low Energy Efficiency indicator, was introduced in 2021 and defines fuel-poor households as those that are both:

- living in a property with a fuel-poverty energy-efficiency rating of band D or below
- left with a residual income below the official poverty line, after spending the required amount to heat their home.<sup>91</sup>

At the Committee's meeting in June 2022, the GLA explained why the Government had developed this definition and how it has become increasingly irrelevant to the energy issues facing households.

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<sup>88</sup> London Assembly Environment Committee, [Transcript of Item 5 – Energy Efficiency](#), 28 June 2022

<sup>89</sup> Ibid

<sup>90</sup> UK Government, [Sustainable Warmth competition: questions and answers](#), section 5.2

<sup>91</sup> UK Government, [Fuel poverty statistics](#), 27 April 2023

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*“The reason it changed to ‘low income, low energy efficiency’ was to make sure that the monitoring of Government programmes on energy efficiency measures really focused on where property is improving. That made some sense at the time, but now what we see is that although prices have gone up exponentially, the number of people who are considered to be in fuel poverty has not changed much. That is because the building fabric itself has not changed, but obviously people are under a great deal of strain.”<sup>92</sup>*

**Catherine Barber, Assistant Director, Environment and Energy  
GLA**

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In written evidence, London Councils highlighted that the definition excludes households in properties with an energy-efficiency rating of C or better, irrespective of the household's energy bills. London Councils' Pathways Report states that this excludes 1.1 million of London's 3.8 million properties.<sup>93</sup>

## Definitions of fuel poverty

The End Fuel Poverty Coalition, a campaign group of which local authorities and third-sector organisations are members, has discussed the implications of the Government's current definition of fuel poverty in England:

*“The official definition used in England demonstrates how many people on low incomes also live in low-energy-efficient homes. This was broadly supported by campaigners when it was introduced, but since the energy bills crisis it has failed to adequately show the scale of suffering faced by people more broadly.”<sup>94</sup>*

The End Fuel Poverty Coalition estimates that if the average household energy bill rises to £3,000 a year, 24 per cent of households in London will be in fuel poverty. This estimate is based on a more traditional definition of fuel poverty, looking at a percentage of income after tax and housing costs being spent on energy bills<sup>95</sup> – this ranges from 16 per cent in Battersea to 42 per cent in Barking.<sup>96</sup>

## Challenges to take-up of energy-efficiency measures

Our investigation identified a risk that the Mayor's energy-efficiency initiatives do not reach particular groups of Londoners, such as older Londoners and Londoners from minority

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<sup>92</sup> London Assembly Environment Committee, [Transcript of Item 5 – Energy Efficiency](#), 28 June 2022

<sup>93</sup> [Letter from London Councils to the London Assembly Environment Committee](#), 29 July 2022

<sup>94</sup> End Fuel Poverty Coalition, [Price cap and fuel poverty estimates methodology](#), 27 March 2023

<sup>95</sup> Ibid

<sup>96</sup> End Fuel Poverty Coalition, [Constituency fuel poverty statistics](#)

ethnic communities. There also is a concern that the terminology used is not widely understood by Londoners or completely inaccessible.

In May 2022, the GLA and London boroughs wrote to 45,000 households to encourage them to register for the programme.<sup>97</sup> In total, £716,000 of the Warmer Homes 3 funding was allocated to marketing, with the majority used for direct mailings to households believed to be eligible.<sup>98</sup> This included £30,000 each for 20 participating boroughs, with the remainder used for other marketing initiatives. As part of the funding agreement, the scheme had to contact at least 80,000 homes by the end of 2022.<sup>99</sup>

The Committee heard that there could be language and cultural barriers to uptake. Nadia Smith told the Committee:

*“What we have found with the Warmer Homes scheme and fuel poverty alleviation support more widely is it tends to be a little bit harder to support people who are from ethnic minority communities and are speaking other languages, and do not speak English.”<sup>100</sup>*

When the Committee questioned the GLA on this issue, the Assistant Director for Environment and Energy stated: “I agree on the language side of things, at the moment our marketing has all been in English, but it is something we are really aware of.”<sup>101</sup>

More generally, there is evidence to suggest a lack of awareness among Londoners of some of the main terminology used by the energy-efficiency industry. The GLA's own commissioned research, conducted by YouGov, showed that over 70 per cent of respondents in London had either never heard of the term “retrofitting” or did not know anything about it.<sup>102</sup> There are several examples of successful advertising campaigns in other parts of the country where more accessible language has been used, such as the London Borough of Barking and Dagenham's ‘Cosy Homes’ scheme, and Greater Manchester local authorities' ‘Get me toasty’ campaign.<sup>103,104</sup> The GLA could learn from these case studies to improve the marketing of its energy-efficiency initiatives, including the Warmer Homes programme.

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<sup>97</sup> GLA, [Mayor urges Londoners to apply for grants from his Warmer Homes scheme](#), 31 May 2022

<sup>98</sup> GLA, Mayoral Decisions, [MD3010 Warmer Homes 3 and Warmer Homes Advice Service](#), 7 November 2022

<sup>99</sup> Ibid

<sup>100</sup> London Assembly Environment Committee, [Transcript of Item 5 – Energy Efficiency](#), 28 June 2022

<sup>101</sup> Ibid

<sup>102</sup> GLA, [Londoners' awareness and understanding of retrofitting](#), February 2022, p.14

<sup>103</sup> London Borough of Barking and Dagenham, [Home energy upgrades](#)

<sup>104</sup> Manchester Evening News, [Get Me Toasty: Greater Manchester councils put up £1.5m to keep homes warm this winter](#), 11 January 2013



## Retrofitting and heat pumps

As well as reducing leakage of heat through cavity wall and solid wall insulation, it is also possible to make the heating of homes more energy efficient using heat pumps.

Catherine Barber highlighted the scale of the challenge:

*“If I think about what Element Energy told us, which is that we need 2 million heat pumps installed by the end of this decade, I wonder whether we have our minds around that, two million homes in London having that kind of change, even if the skills were there to do it. Is the demand there?”<sup>105</sup>*

While around 40,000 heat pumps have been installed across London since 2016, many of these are in new developments.<sup>106</sup> Older properties fitting heat pumps may also require additional insulation to retain heat. London Councils' Retrofit London Housing Action Plan explains that a whole-house approach to retrofitting is needed:

*“Low carbon heat sources such as heat pumps work at lower operating temperatures than gas boilers, so in some cases (not all) the radiators may not be large enough to keep the rooms warm on the coldest days. If all the radiators or even pipework in homes have to be replaced, the cost of the work and the disruption to residents will be far greater than simply swapping over the heat source. In order to enable an early switch to low carbon heat sources, improvements to the fabric of homes need to be carried out for these homes to reduce the peak heating demand sufficiently to avoid the need for major changes to the installed heating emitters, and a whole house approach is important and helps to enable this.”<sup>107</sup>*

The GLA's Retrofit Accelerator – Homes programme has been trialling such an approach through the Innovation Partnership, but it needs to be significantly scaled up to reach these targets.<sup>108,109</sup> In the meeting, Chetan Lad explained the aims of the programme:

*“We now have 1,800 homes under contract for [the Retrofit Accelerator – Homes]. What we are trying to do with Retrofit Accelerator homes is to do a much deeper, whole-house retrofit. It is much deeper, getting closer towards net zero per each house, but it is a lot more expensive for each home.”<sup>110</sup>*

The more time-intensive and costly nature of this programme highlights the scale of the challenge, which Catherine Barber recognised:

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<sup>105</sup> London Assembly Environment Committee, [Transcript of Item 5 – Energy Efficiency](#), 28 June 2022

<sup>106</sup> GLA, Questions to the Mayor, [Heat Pumps](#), 20 December 2022

<sup>107</sup> London Councils, [Retrofit London Housing Action Plan](#), October 2021, p.34

<sup>108</sup> GLA, [Retrofit Accelerator – Homes](#)

<sup>109</sup> GLA, Mayoral Decisions, [MD3003 Retrofit Accelerator – Homes Extension](#), 5 July 2022

<sup>110</sup> London Assembly Environment Committee, [Transcript of Item 5 – Energy Efficiency](#), 28 June 2022, p.21

*“At the moment, we are in that sort of 1,800 category but obviously with ambitions to scale it up because otherwise, as we mentioned earlier, we just would not be on track for that net zero 2030 target.”<sup>111</sup>*

Nationally, the Government has been criticised for poor uptake of its main scheme that encourages homeowners to install heat pump systems. In February this year, the Chair of the House of Lords Environment and Climate Change Committee wrote to the Department for Energy Security and Net Zero to raise concerns regarding the Government's Boiler Upgrade Scheme.<sup>112</sup> The Committee also raised barriers to uptake, such as high upfront costs and a shortage of skills in the sector.

## Retrofit considerations

Retrofitting is an important way of improving the energy efficiency of domestic properties. One of the main barriers to retrofit is a lack of awareness and understanding of the retrofit options available.

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*“There is really a lack of framework around retrofit, especially for the homeowners and the domestic able-to-pay sector. We think what is required, really, is a full retrofit design service ... Leveraging community finance, especially for the domestic sector and enabling community groups to be able to put out share offers and have local investors invest and be able to give people funds to do their retrofit and then pay that back over a period of time is a really good solution to start off with.”<sup>113</sup>*

**Nadia Smith, Sustainable Futures Project Manager  
South East London Community Energy**

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In May 2022, the Tony Blair Institute published 'Three Birds, One Stone: How Greener Homes Can Solve the Energy Trilemma'. This report recommended the creation of a one-stop-shop home energy service, combining advice grants and interest-free loans to deliver a simple consumer offer.<sup>114</sup> The Committee asked the GLA about such a proposal, to which representatives stated they were 'broadly aligned with all of those elements' and that they would 'take into account' the recommendations when scaling up retrofit and advice work.<sup>115</sup>

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<sup>111</sup> London Assembly Environment Committee, [Transcript of Item 5 – Energy Efficiency](#), 28 June 2022, p.28

<sup>112</sup> UK Parliament, House of Lords, [Letter from the Chair of the House of Lords Environment and Climate Change Committee to the Department for Energy Security and Net Zero](#), 22 February 2023

<sup>113</sup> London Assembly Environment Committee, [Transcript of Item 5 – Energy Efficiency](#), 28 June 2022

<sup>114</sup> Tony Blair Institute for Global Change, [Three Birds, One Stone: How Greener Homes Can Solve the Energy Trilemma](#), 31 May 2022

<sup>115</sup> London Assembly Environment Committee, [Transcript of Item 5 – Energy Efficiency](#), 28 June 2022

Such a service should also be careful to target its approach in ways that use available finance. It should also consider how the framework can best approach all forms of housing tenure and ownership; and make use of all possible forms of finance to decarbonise home heating, and reduce energy use in the shortest time possible.

## The private rented sector

Stakeholders have expressed concerns that there are particular challenges associated with improving the energy-efficiency standard of private rented-sector properties.

Since 1 April 2020, landlords can no longer let or continue to let properties covered by the Domestic Minimum Energy Efficiency Standard regulations if they have an EPC rating below E, unless they have a valid exemption in place.<sup>116</sup>

Landlords are currently not required to pay more than £3,500 (including VAT) on energy-efficiency improvements. If it is not possible to make all the improvements required to get the property to EPC E for that amount, they are able to register an 'all improvements made' exemption.<sup>117</sup> In 2020, the Government launched a consultation on proposals it termed a 'preferred' option to ensure all private rental properties were at least EPC C rated from 2025.<sup>118</sup> The Government also consulted on requiring landlords to make improvements up to the cost of £10,000. To date, the Government has not enacted any of these proposals, and no outcome for the consultation has been published.

In its February 2019 report, 'Keeping out the chill: fixing London's cold, damp and mouldy homes', the Committee recommended: "The Government should consider increasing the cap for landlord contributions to energy-efficiency measures above the current £3,500 (inclusive of VAT) to £5,000."<sup>119</sup>

Stakeholder organisations told the Committee about the issue of enforcing energy-efficiency standards with private rented-sector landlords. Nadia Smith stated:

*"More importantly, they [landlords] are not being policed quite enough. The reason that [private landlords] are not being policed enough is that local authorities, again, do not have the capacity to deal with this. We really need to improve on that."<sup>120</sup>*

London Councils raised concerns about the current policy incentives and disincentives available in London, stating:

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<sup>116</sup> UK Government, [Domestic private rented property: minimum energy efficiency standard – landlord guidance](#), 13 April 2023

<sup>117</sup> Ibid

<sup>118</sup> UK Government, [Improving the energy performance of privately rented homes](#), 18 December 2020

<sup>119</sup> London Assembly Environment Committee, [Keeping out the chill: fixing London's cold, damp and mouldy homes](#), February 2019, p.9

<sup>120</sup> London Assembly Environment Committee, [Transcript of Item 5 – Energy Efficiency](#), 28 June 2022

*“Apart from EPC labels when homes are sold, there are no strong policy to encourage able to pay owner-occupiers to invest in energy efficiency. Similarly, landlords have little incentive to invest in energy efficiency beyond minimum energy efficiency standards and the well-known. Terraced streets and tower blocks (especially where former tenants have bought their properties under right-to-buy) pose a special challenge because of the resulting picture of mixed tenure. The benefits of retrofit needs to be better communicated in these cases to influence tenants (e.g. reduced utility bills and better living conditions)”.*<sup>121</sup>

London Councils requested that the GLA continues to fund such schemes that enable retrofit (e.g. low or zero-interest financing options to support homeowners and landlords to retrofit their properties).<sup>122</sup>

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<sup>121</sup> [Letter from London Councils to the London Assembly Environment Committee](#), 29 July 2022

<sup>122</sup> Ibid

## Chapter three: Skills

### Recommendation 10

The Mayor should conduct a review of Green Skills Academies in 2023, to assess their impact on business engagement and skills development. The Mayor should use a larger proportion of the AEB to help train people to take on retrofitting. The Mayor should also consider how to showcase green careers in the construction industry.

A lack of skills and training in retrofit and renewable technologies pose a strategic risk to the Mayor's ambitions for improved energy efficiency and increased renewable energy generation in London.

At the February 2023 Oversight Committee meeting, Niran Mothada, the GLA's Executive Director for Strategy and Communications said:

*"Retrofit programmes are going to require people to do the retrofitting and therefore we need to get the skills academies up and running as part of the response to that. It is a heck of a lot of engagement with Government on funding, for instance."*<sup>123</sup>

London cannot realise its energy production and efficiency potential without significant investment in the skills and workforce required to deliver it. However, at present, there is an acute lack of skills and training in retrofit and renewable technologies, both regionally and nationally. This issue has existed for decades and has been well documented: recent research by the University of Hull indicated huge worker shortages across the UK, including in London.<sup>124</sup>

London Councils' Retrofit London Housing Action Plan sets a goal of achieving an average energy-efficiency certificate rating of B by 2030.<sup>125</sup> However, to achieve this goal, London Councils indicates that London needs a minimum of 110,000 full-time equivalent green sector jobs, covering insulation specialists, heating engineers and retrofit coordinators.<sup>126</sup>

Many stakeholder organisations who gave evidence as part of the Committee's investigation – such as Citizens Advice, South East London Community Energy, and Energy for London – spoke about the importance of skills development in the energy sector and the risks posed

<sup>123</sup> London Assembly, GLA Oversight Committee, [Transcript of Item 5 – COVID-19 Three Years On – The London Recovery Programme](#), 2 February 2023

<sup>124</sup> The Conversation, [Skills shortage could undo UK government's net zero plans](#), 28 October 2021

<sup>125</sup> London Councils, [Retrofit London Housing Action Plan](#), October 2021

<sup>126</sup> [Letter from London Councils to the London Assembly Environment Committee](#), 29 July 2022

by a limited future skills pipeline, with particular reference to retrofit and renewable skills.<sup>127</sup>

The challenges of delivering retrofitting in London are also exposed by the slow pace of implementation of homes completed under the Government's Social Homes Decarbonisation Fund. The Big Issue has reported that one reason for extending the deadline for the first phase, from March 2023 to June 2023, is that a labour shortage is affecting plans. Just 7 per cent of the 20,000 properties nationally included in the scheme had been finished by December 2022, with the majority of these in the North of England.<sup>128</sup> By the end of February 2023, just 147 households in London had planned works completed – 6 per cent of the national total – and, though 12 London boroughs were awarded funding, just four of them had reported completed installations.<sup>129</sup>

The Green Building Council, a membership organisation, has criticised the design of the Government's funding schemes, stating:

*“The schemes themselves provide very short term funding which is so narrowly targeted with such short delivery windows that the opportunity to begin to build the local supply chains and associated skills needed to upgrade the country's homes is missed.”<sup>130</sup>*

At its meeting in January 2023 on London's Environmental Priorities, the Committee heard from Quentin Given, coordinator of the Friends of the Earth London Network, about the importance of engaging young people in green jobs:

*“We have lots of gas engineers, but very few people able to fit heat pumps and so on and so forth. Although the Mayor has done work around the Green Academy, we are still far from a situation where a 16-year-old in Tottenham or Lambeth would know, as they are thinking about what their career will be, that there is an environmental area of work, which is the construction industry. We have to green-up the image of construction and we have to make a very transparent and simple path for people thinking about what they are going to be doing in their lives into that sector. I know there are initiatives, but we need to have something much more joined up so that we do not just have building companies who have a particular project in a borough dropping into the schools in that area to talk about green construction, but a systematic programme of relationships with schools that really makes the sector much more attractive and much more urgent for people.”<sup>131</sup>*

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<sup>127</sup> London Assembly Environment Committee, [Transcript of Item 6 – Renewable Energy](#), 19 July 2022

<sup>128</sup> The Big Issue, [The government said it would upgrade social housing to help renters with energy bills. It's not going well](#), 25 February 2023

<sup>129</sup> UK Government, [Social Housing Decarbonisation Fund statistics](#), 20 April 2023

<sup>130</sup> UK Green Building Council, [Decarbonising the built environment: Government policy scorecard](#), December 2022, p.8

<sup>131</sup> London Assembly Environment Committee, [Transcript of Item 5 – Forum on London's Environmental Priorities in 2023](#), 10 January 2023

Nationally, the Government has run a number of programmes to encourage new skills, including the Home Decarbonisation Training Competition.<sup>132</sup>

At its March 2023 meeting, the Deputy Mayor for Energy and Environment told the Committee:

*“There is stop/start on the Green New Deal where people ramped up to help deliver retrofit, for example, about a decade ago and then the thing was pulled, and so the people who were trained had nowhere to go. Businesses do not feel confident about investing.”<sup>133</sup>*

The Deputy Mayor highlighted that these challenges are interlinked, and require a long-term and holistic approach:

*“What we have been doing is trying to understand what the various barriers are to rolling out, for example, that retrofit approach or solar or whatever. They are largely the same: (1) is the skills to do the job, (2) is the finance to get those going, and the certainty of finance and a long term stable policy that people can get on and plan for these things, (3) is devolution of powers to the Mayor or local authorities so that they can set standards, move ahead and get on with the things they want to do.”<sup>134</sup>*

She added:

*“If I could just mention the Mayor's Adult Education Budget as well, the annual £320 million. A lot of that has gone towards green skills in the last complete financial year, about 10% of that. Some of that was new green, things like heat pumps, electric vehicle (EV) charging points, solar. Some of it was to supporting green skills from existing professions, electricians, builders, accountants, and so on, who need to be more in the new green economy.”<sup>135</sup>*

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<sup>132</sup> UK Government, [Home Decarbonisation Skills Training Competition: successful projects](#), 2 March 2023

<sup>133</sup> London Assembly Environment Committee, [Transcript of Item 6 – Question and Answer Session with the Deputy Mayor, Environment and Energy](#), 9 March 2023

<sup>134</sup> Ibid

<sup>135</sup> Ibid



## Chapter four: Renewable energy generation

### Recommendation 11

The Mayor should conduct a review of the Solar Opportunity Map with London boroughs and energy partners to assess the usefulness and application of the tool. He should set out a timeline for functionality improvements.

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### Recommendation 12

As a matter of urgency, the Mayor should review the GLA's contract with iChoosr to determine whether it is fit for purpose in identifying suitable solar-panel installers.

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### Recommendation 13

The Mayor should ensure financial protection for all GET UK customers acquired via the Solar Together London programme who have been affected by the delivery issues. This should be aimed at ensuring GET UK customers pay no more than what was originally agreed in their contracts. This should include considering the provision of financial compensation for distress and damages caused to GET UK customers.

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### Recommendation 14

The Mayor should conduct a thorough review of Solar Together London in 2023 to learn from the issues that customers have experienced. He should consider how Solar Together London, and other future energy-efficiency and retrofit programmes, can learn from these issues.

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### Recommendation 15

Through the GLA's solar power initiatives, and its upcoming revised planning guidance to London boroughs, the Mayor should update the Solar Action Plan from 2018 to include targets to increase the installation of solar panels across London, including in conservation areas.

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### Recommendation 16

The Mayor should use his convening powers to establish a more formal mechanism for the GLA Group, and bodies from the wider public sector in London (such as the NHS and London boroughs), to coordinate their expansion of solar power. This would include sharing learning and best practice.

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To achieve the Mayor's net zero ambitions and, more generally, increase the role of renewable energy in London, there needs to be a significant roll-out of solar-energy generation in the capital.

The typography, geography, population and housing density of London make it more challenging to develop renewable energy sources than in other areas of the country. In this context, solar power – or solar photovoltaic (PV) – is a more practical renewable solution as it can be readily installed on buildings requiring relatively small space. This is partly why the Mayor has chosen to develop several high-profile initiatives to foster solar power in the capital, including Solar Together London, Solar Skills London and the Solar Action Plan.

## The Solar Opportunity Map

One of the barriers to solar power expansion in London is a lack of awareness among Londoners of where it may be feasible to install solar power. The GLA's Solar Opportunity Map therefore seeks to identify areas of London where the development of solar power energy is feasible.

In evidence to the Committee in the July 2022 meeting, the GLA confirmed that, since it was launched in September 2020, the Solar Opportunity Map had been viewed 6,800 times, with roughly two-thirds of the views in the first year, and the remaining third in the second year.<sup>136</sup>

However, the Committee heard that the tool, which is located on the GLA's website, could be made more functional.

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*"It [the Solar Opportunity Map] is not very conducive for downloading data or identifying areas where you can do meaningful things with solar. I know from my colleagues in the community energy sector that they have found it quite frustrating.*

*"Therefore, the idea is great, but the delivery and execution is a little wanting in terms of wanting to play those tunes. If you compared it to a TfL data feed and what you can do with it on app, we are nowhere near that. It would be great if the GLA could take it, work with some users, find out what they would ideally want to use that map for and take it to a version 2.0."<sup>137</sup>*

**Syed Ahmed, Director  
Energy for London**

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<sup>136</sup> London Assembly Environment Committee, [Transcript of Item 6 – Renewable Energy](#), 19 July 2022

<sup>137</sup> Ibid

Community Energy London has recently released its own tool, the Potential Map. This aims to help community energy groups find promising development opportunities; and to help policy makers visually explore the potential of community energy in London.<sup>138</sup> It uses data from the London Solar Opportunity Map<sup>139</sup>, the London Heat Map<sup>140</sup> and the London Building Stock Model.<sup>141</sup>

## Solar Together London

Solar Together London is a Mayoral collective purchasing initiative that aims to increase the installation of domestic rooftop solar panels in London.<sup>142</sup> The initiative involves the GLA, selected London boroughs and a third-party service provider. Following an initial pilot, in 2019 the Mayor approved the establishment of a full programme, and selected iChoosr, a private sector company, as the delivery partner.<sup>143</sup> To date, 17,000 solar panels across 2,000 London homes have been installed as part of the Solar Together programme.

The GLA does not have responsibility for the appointment of the installers. This is done by iChoosr, which oversees auctions where solar installers compete to offer the lowest price. Therefore, there is a limit to the level of GLA control over the delivery of the programme.<sup>144</sup> The Mayor made the decision to divide responsibilities between parties in this way when he made his decision to launch the pilot in 2019.<sup>145</sup>

The programme has faced significant delivery issues over the last year. As part of its evidence to the Committee's investigation, the GLA confirmed in July 2022 that the GLA and iChoosr have received 617 complaints from customers in phase four of the programme, representing just over 12 per cent of all customers.<sup>146</sup> As the GLA's Assistant Director for Environment and Energy stated, this is higher than the industry benchmark at which 'we [the GLA] get seriously focused on this'.<sup>147</sup>

Such is the concern about the installation process, in November 2022 the GLA conducted an internal audit of the programme and identified risks around the deliverability and reputational damage to the GLA.<sup>148</sup> At the December 2022 Audit Panel meeting, Assembly

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<sup>138</sup> Community Energy London, [Potential Map](#)

<sup>139</sup> GLA, [London Solar Opportunity Map](#)

<sup>140</sup> GLA, [London Heat Map](#)

<sup>141</sup> GLA, [London Building Stock Model](#)

<sup>142</sup> GLA, [Solar Together London](#)

<sup>143</sup> Email from the GLA's Assistant Director for Environment and Energy to the Environment Committee, 8 March 2023

<sup>144</sup> Email from the GLA's Assistant Director for Environment and Energy to the Environment Committee, 8 March 2023

<sup>145</sup> GLA, Mayoral Decisions, [MD2503 Solar Together London](#), 29 July 2019

<sup>146</sup> London Assembly Environment Committee, [Transcript of Item 6 – Renewable Energy](#), 19 July 2022

<sup>147</sup> Ibid

<sup>148</sup> London Assembly, Audit Panel, [Directorate of Audit, Risk and Assurance: Internal Auditors to the Greater London Authority](#), 15 December 2022, p.7

Members raised concerns about the future of the programme and the risk of a repetition of the same issues.<sup>149</sup>

In February this year, the Evening Standard reported that some customers had experienced a poor service from one of the Solar Together London installers, GET UK. The article included stories of Londoners who paid a £150 deposit, but were inconvenienced by delays as the installer repeatedly failed to turn up to conduct surveys – in one example, this happened seven times. The article said that this company has ‘a mountain of negative reviews, debt and even a warning by the Financial Conduct Authority’. The owners of GET UK were reportedly previously directors of green energy supplier Solarplicity, which collapsed in 2019 with debts of £4.4 million. GET UK owed creditors £1.7 million in 2021 — nearly £700,000 more than in the previous year.<sup>150</sup> At the time, the GLA acknowledged that there were ‘customers experiencing very poor service from installers contracted by iChoosr’, but placed this in the context of a ‘high level of demand over the past two years along with high energy prices and disruption to the global solar supply chain due to COVID-19’, which ‘has affected solar panel installations across the UK and Europe’.<sup>151</sup>

On 8 March this year, the GLA wrote to inform the Committee that iChoosr had suspended all activity for GET UK due to:<sup>152</sup>

- the National Inspection Council for Electrical Installation suspending GET UK’s Microgeneration Certification Scheme (MCS) accreditation
- GET UK’s membership of the Home Insulation and Energy Systems Contractors Scheme (HIES) being placed under review.

On 30 March 2023, the GLA wrote to update the Committee that, as of 29 March, GET UK’s MCS accreditation had not been reinstated, and that this was the last day it could happen.<sup>153</sup> The GLA also confirmed that GET UK’s HIES membership had ended; and that, because of these issues, no solar PVs had been installed by GET since 27 February, with this position expected to be permanent. The GLA stated that it expected ‘GET to write to their customers ... to say they are no longer able to fulfil their contract and give people the option to cancel’.<sup>154</sup> The GLA also indicated customers would be supported to find alternative providers if they wished to continue with the installation.<sup>155</sup>

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<sup>149</sup> London Assembly, Audit Panel, [Internal Audit Reports – Minutes](#), 15 December 2022

<sup>150</sup> Evening Standard, [Insider: “Awful... ineptitude” – what went wrong with the Mayor’s solar power scheme?](#), 9 February 2023

<sup>151</sup> Ibid

<sup>152</sup> Email from the GLA’s Assistant Director for Environment and Energy to the Environment Committee, 8 March 2023

<sup>153</sup> Email from the GLA’s Assistant Director for Environment and Energy to the Environment Committee, 30 March 2023

<sup>154</sup> Email from the GLA’s Assistant Director for Environment and Energy to the Environment Committee, 30 March 2023

<sup>155</sup> Email from the GLA’s Assistant Director for Environment and Energy to the Environment Committee, 30 March 2023

The GLA's 30 March update also identified a separate issue related to iChoosr. The GLA informed the Committee that figures previously provided by iChoosr to the GLA, regarding the number of customers at phase 4 installation, were incorrect. In December 2022, the GLA told the Audit Panel that phase 4 should be completing very soon, with a handful of installations slipping into January 2023.<sup>156</sup> The GLA has since confirmed that, as of March 2023, 'many phase 4 installations have still not been completed'.<sup>157</sup>

According to the GLA, approximately 1,000 customers across phases 4 and 5 of the GET UK installation process are expected to be affected by these issues.<sup>158</sup>

The Committee acknowledges the GLA has expressed its own concerns about the installation issues since at least July 2022. It also notes the Deputy Mayor for Environment and Energy has taken a more direct role in engaging and scrutinising the third parties. However, the issues have continued despite the establishment of regular meetings between the Deputy Mayor, the Assistant Director for Environment and Energy, and iChoosr. Lessons must be learned from the lack of effective oversight and risk management around the commissioning of installers and the limited ability to secure effective delivery of services.

Assembly Members have since been contacted by some GET UK customers who have explained that this support is not materialising, with some yet to have an alternative quote for work. In addition, Assembly Members have been contacted by other GET UK customers who have explained that, in most cases, the new quotes offered are at a higher cost than the original GET UK quotes.<sup>159</sup>

The Committee has major concerns about the ongoing risks posed to, and uncertainty facing, Londoners who are customers of GET UK. As the overall lead for the Solar Together London programme, the GLA has a responsibility to protect customers where iChoosr fails to protect them. This should include financial protection – both to cover lost deposits and the higher costs of completing the works. The GLA should also consider ensuring compensation is provided for distress and damages caused to customers.

## Overcoming planning barriers

In 2021, the GLA commissioned a report on the barriers to future solar power development in London. The report, which was published in April 2022, made several recommendations, including suggesting that the GLA provide more strategic, technical guidance in relation to the interaction between solar panels and the planning system.<sup>160</sup>

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<sup>156</sup> London Assembly, Audit Panel, [Internal Audit Reports – Minutes](#), 15 December 2022

<sup>157</sup> Email from the GLA's Assistant Director for Environment and Energy to the Environment Committee, 30 March 2023

<sup>158</sup> Ibid

<sup>159</sup> Feedback from Assembly Member Casework

<sup>160</sup> GLA, [Planning for Rooftop Solar on London's Homes](#) and [Roof Mounted Planning Report](#)

At its July 2022 meeting, the Committee learned that the GLA was developing planning guidance to help London boroughs make consistent interpretations of permitted development for the purposes of installing solar panels. The objective of this guidance is to create a more accommodating planning environment.<sup>161</sup>

During the Committee's January 2023 roundtable event with environmental stakeholders, Ben Cooper KC, the co-founder of Dream for Trees, explained the challenges he had experienced in getting planning permission for solar panels in central London. He suggested "proactively encouraging solar and air source heat pump planning permissions for listed buildings and conservation areas, including solar panels being recognised as a positive thing, even on the front of houses." He stated: "We recently obtained a listed building planning permission for 86 panels on Doughty Street, which was a real struggle to achieve."<sup>162</sup>

There are ways to overcome challenges in conservation areas and on listed buildings. For example, the Royal Borough of Kensington and Chelsea has stated that solar can be installed on listed buildings where this is not visible from the street, without requiring a planning application.<sup>163</sup>

## Supporting public sector installation

During the Committee's investigation, Syed Ahmed, a representative of Energy for London, discussed the potential impact of delivering at scale.

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*"It would be good to find out what capacity that would be over London, what support they need, are there routes if they were procuring things collectively where they would get a better deal, a Solar Together for the public sector. Also looking beyond local authorities to the wider public sector to things like hospitals, leisure centres and so on. It is that convening and leadership power of the Mayor to work with the wider public sector in London to see what can be done in solar, because at the moment it is very piecemeal."*<sup>164</sup>

**Syed Ahmed, Director  
Energy for London**

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<sup>161</sup> London Assembly Environment Committee, [Transcript of Item 6 – Renewable Energy](#), 19 July 2022

<sup>162</sup> London Assembly Environment Committee – [10 January 2023 Transcript of Agenda Item 5 – Forum on London's Environmental Priorities in 2023](#), 10 January 2023

<sup>163</sup> Royal Borough of Kensington and Chelsea, [Solar Power for more homes in Kensington and Chelsea](#), 22 March 2022

<sup>164</sup> London Assembly Environment Committee, [Transcript of Item 6 – Renewable Energy](#), 19 July 2022

## Chapter five: Community energy

### Recommendation 17

The Mayor should continue to fund community energy, supporting the pipeline of projects and finding ways to draw in local investors, to expand uptake of renewables on community buildings.

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The GLA defines community energy as ‘collective action taken by a self-organised network of people with a common agenda to reduce, manage or generate energy’.<sup>165</sup> This follows the UK Government definition that ‘community energy projects have an emphasis on local engagement, local leadership and control and the local community benefiting collectively from the outcomes’.<sup>166</sup>

Community energy initiatives play an important role in the development of future renewable energy in London, but they often rely on central and regional government funding. As the Government focuses its funding to regions through the UK Shared Prosperity Fund (UKSPF), it is not clear how much money, if any, will be allocated to community energy, which may risk the future growth of such initiatives. The Mayor provides funding to community energy initiatives through the London Community Energy Fund.<sup>167</sup>

In December 2022, the Government published its UKSPF prospectus, and announced it would allocate over £144 million to London from 2022-23 to 2024-25.<sup>168</sup><sup>169</sup> The closing date for applications was 13 February 2023.<sup>170</sup>

The GLA has published a suite of documents to accompany the launch of the UKSPF funding allocations, including a set of frequently asked questions. It states it is encouraging organisations, businesses and London boroughs to promote and participate in the scheme.<sup>171</sup>

The Committee heard clearly from community energy representatives at its July 2022 meeting about the importance of funding community energy initiatives through the UKSPF.<sup>172</sup>

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<sup>165</sup> GLA, [London Community Energy Fund Prospectus](#)

<sup>166</sup> UK Government, [Community Energy](#), 26 January 2015

<sup>167</sup> GLA, [London Community Energy Fund](#)

<sup>168</sup> UK Government, [UK Shared Prosperity Fund in London – Frequently Asked Questions](#), 14 December 2022

<sup>169</sup> GLA, [UK Shared Prosperity Fund](#)

<sup>170</sup> GLA, [UK Shared Prosperity Fund – ‘Supporting Local Business’ open call information event](#), 16 January 2023

<sup>171</sup> GLA, [London Community Energy Fund phase 6 \(2022/23\) FAQs](#)

<sup>172</sup> London Assembly Environment Committee, [Transcript of Item 6 – Renewable Energy](#), 19 July 2022, p.31



In parallel, the Committee heard about the vital role the Mayor could play in promoting existing community energy initiatives funded by the London Community Energy Fund in order to raise the profile of the initiatives and the fund more generally. The Committee believes this would be a cheap and effective way of supporting community energy initiatives, which contribute significantly to the mix of energy types in London.

## Chapter six: London Power

### Recommendation 18

The Mayor should conduct a review of London Power by July 2023, including its resilience in response to external factors and the role of the GLA in supporting it; and share any resulting report with this Committee.

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London Power was launched by the Mayor on 13 January 2020 in partnership with Octopus Energy with the following commitments to customers:

- *“fair and competitive pricing, always*
- *automatic rollover on to London Power’s cheapest comparable plan after fixed term plans end*
- *electricity generated from 100 per cent renewable sources*
- *hassle-free experience with simple energy plans, quick online switching, and world-class customer service.”<sup>173</sup>*

The commitment to renewable energy means that, according to London Power’s 2020-21 Annual Report, 3,390 tonnes of CO<sub>2</sub> were saved by the end of March 2021.<sup>174</sup> If it achieved its commitments to customers, London Power would provide a valuable contribution to the energy market in London. However, since the outbreak of COVID-19, as Figure 1 shows, it has stagnated, and since March 2022 it is no longer producing quarterly updates.<sup>175</sup>

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<sup>173</sup> GLA, [London Power](#)

<sup>174</sup> GLA, [London Power Annual Review 2020-21](#), 1 July 2021

<sup>175</sup> GLA, [London Power](#)

**Figure 1: London Power: Homes powered and average saving, 2020-2022**<sup>176,177</sup>

## London Power's current position

Due to unexpected external circumstances (the pandemic, the war in Ukraine and subsequent energy-price rises), London Power has been unable to expand its customer base as consumers have been advised not to switch energy providers. It is still unclear what discounts London Power will be able to achieve for customers in future. The Committee wrote to the GLA to request an update on London Power's financial and operational position. In response, the GLA confirmed the following:<sup>178</sup>

- During 2021-22, London Power ran at a loss of £116,000 (after spending £238,000 and receiving £122,000 of income).
- For the purposes of setting London Power's 2022-23 budget, the GLA assumed customer acquisition activities would resume in April 2022. However, this did not materialise.
- To date, the GLA has spent £2.3 million on London Power since its inception in 2019-20, with £1.2 million spent on procurement and set-up costs, and £1.1 million spent to cover mobilisation, launch marketing and engagement.

At the December 2022 Audit Panel meeting, Assembly Members questioned the GLA about the future of London Power.<sup>179</sup> Assembly Members raised concerns about the timescales and likelihood of paying back the loan used to facilitate London Power, which was £159,000 at the end of 2021-22, of a maximum £906,000.<sup>180</sup> The GLA's contract for London Power ends in August 2023; therefore, it needs to make a decision by May 2023 whether to renew

<sup>176</sup> GLA, [London Power Quarterly Report: October – December 2021](#)

<sup>177</sup> GLA, [London Power Quarterly Report: January – March 2022](#)

<sup>178</sup> [Letter from the GLA to the London Assembly Environment Committee](#), 27 September 2022

<sup>179</sup> London Assembly, Audit Panel, [Internal Audit Reports – Minutes](#), 15 December 2022

<sup>180</sup> Ibid

or cancel the contract.<sup>181</sup> The Environment Committee is concerned about ability of London Power to recover from the issues exposed by the pandemic and achieve overall value for money for Londoners, given the GLA's expenditure.

In March 2023, in response to Mayoral Questions, the GLA confirmed that officials were currently providing advice to the Mayor on whether to renew the contract. However, it added that, in the event of the GLA winding down London Power, existing customers would be automatically transitioned to Octopus Energy's new white-label partner 'on the same rates and with no disruption to supply'.<sup>182,183</sup> In answer to a related question, the GLA stated:

*"Wholesale energy prices have fallen over the last few months, with energy commentators predicting a possible return to customer switching later this summer though this is subject to wholesale energy market uncertainty."<sup>184</sup>*

Considering the impact of external factors on London Power's resilience as a business model, the GLA should review any lessons learned from its experience of developing and supporting London Power.

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<sup>181</sup> GLA, Questions to the Mayor, London Power (1), 17 April 2023

<sup>182</sup> GLA, Questions to the Mayor, [London Power \(1\)](#), 28 March 2023

<sup>183</sup> GLA, Questions to the Mayor, [London Power \(2\)](#), 28 March 2023

<sup>184</sup> GLA, Questions to the Mayor, [London Power \(3\)](#), 28 March 2023

## Chapter seven: Grid capacity and management

The GLA also has a role in taking a strategic view on grid management and capacity issues across London. This includes engaging with the National Grid and other operators around potential electricity-supply constraints, linked to an increased demand for energy from datacentres in West London.<sup>185</sup> The decarbonisation of road transport will create further demands on the grid in London. The TfL Bus Action Plan states:

*“Every [bus] garage needs to be converted to electric charging or hydrogen fuelling. To do this, we need support from stakeholders, particularly local authorities who may need to make changes to road layouts to accommodate zero-emission buses and UK Power Networks, which will need to implement grid upgrades to accommodate new charging infrastructure.”<sup>186</sup>*

TfL currently uses 1.5 terawatt hours of electricity each year, which makes it the greatest consumer of power in London. TfL aims for this to be 100 per cent renewable by 2030, which is a very ambitious increase.<sup>187</sup> Careful planning is also needed to ensure that charging is available for electric vehicles. In 2019, UK Power Networks launched a map to assist the installation of electric vehicle charging points where the best capacity was available, to increase the speed and lower the cost of installing them.<sup>188</sup>

At a smaller scale, the Committee has heard that some restaurants face challenges switching from gas to electricity due to a lack of grid capacity. At the Committee's December 2022 meeting, Juliane Caillouette-Noble, Managing Director of the Sustainable Restaurant Association, stated:

*“There are real benefits in a transition towards better, energy-efficient equipment and moving away from gas and towards induction ... there are real cost incentives for restaurants to transition away from energy-intensive equipment ... Adding to your question about the regulatory constraints and frameworks, there are real problems with electrifying kitchens, particularly in the old buildings in central London, and it is not always possible to shift to get enough electric supply to move to induction hobs. I know that there are a number of restaurants who have to work quite closely with their landlords, and particularly in central London, it is a real challenge.”<sup>189</sup>*

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<sup>185</sup> GLA, [West London electricity capacity constraints](#)

<sup>186</sup> TfL, [Bus Action Plan](#), 2022

<sup>187</sup> TfL, [Business Plan 2022-23 to 2025-26](#), 2022

<sup>188</sup> TfL, [London Electric Vehicle Infrastructure Delivery Plan One Year On](#), 2020

<sup>189</sup> London Assembly Environment Committee, [Transcript of Item 5 – A Green and Just Transition for London's Businesses](#), 7 December 2022

## Chapter eight: Role of the GLA Group

### Recommendation 19

The Mayor should publish interim annual targets for the proportion of renewable energy in PPAs between now and 2030, and update the Committee on progress annually.

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In 2021 the Mayor announced a commitment to develop London's first climate budget.<sup>190</sup> Since then, through his 2023-24 budget-setting process, the Mayor has asked all GLA Group functional bodies to include actions and commitments to reduce carbon emissions in their Budget submissions.<sup>191</sup> A complete set of proposed Climate Budget Measures was available in Appendix J of the GLA Group Budget Proposals and Precepts 2023-24 report.<sup>192</sup>

During the Committee's June 2022 evidence session, the GLA's Assistant Director for Environment and Energy stated:

*"I am happy to say that on a monthly basis we sit down with the officers who are responsible for energy and carbon and sustainability from across the functional bodies, both at working level and then we bring it together in a meeting chaired by the Deputy Mayor, to review their progress particularly on these net zero plans. But the Mayor is asking very keenly what progress is being made this year as well as their grander plans for the next decade."<sup>193</sup>*

An important way of the GLA Group achieving net zero is to shift to renewably sourced energy. This is primarily being driven through the GLA Group's proposal to launch PPAs to procure renewable energy at scale and associated lower cost.<sup>194</sup> However, whilst the GLA Group has set a target to achieve 50 per cent renewably sourced energy by 2030, there are no interim targets to measure and scrutinise progress on the PPAs over the next seven years.

The Committee questioned the GLA about this issue at its June 2022 meeting, to which the GLA's Assistant Director for Environment and Energy said:

*"At the moment, we are not putting down firm guidelines of how much we are going to procure. We are just going to see what the market looks like at the time and,*

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<sup>190</sup> GLA, [The Mayor's Budget Guidance for 2023-24](#), 29 July 2022

<sup>191</sup> GLA, [The Mayor's Budget for 2023-24](#)

<sup>192</sup> GLA, The Mayor's budget, [The Mayor's Budget for 2023-24, Appendix J: Climate Budget Measures](#)

<sup>193</sup> London Assembly Environment Committee, [Transcript of Item 5 – Energy Efficiency](#), 28 June 2022

<sup>194</sup> GLA, Questions to the Mayor, [Timetable for power purchase agreements](#), 26 July 2022

*depending on how the market has recovered, we will try to secure the optimum size of the tranche.”<sup>195</sup>*

In November 2022, a paper to TfL's Finance Committee described the strategy for developing the PPA portfolio. The strategy would involve approaching the market every two years to target long-term 'additional PPAs' that 'offer the strongest strategic fit in terms of managing long-term exposure to the wholesale price and delivering green credentials'. In June 2022, TfL launched a tender for around 12.5 per cent of TfL's annual energy use from a new build renewable or solar asset, but no successful applications were received.<sup>196</sup> Due to market conditions this was subsequently paused.<sup>197</sup>

The GLA-wide PPA is likely to follow the TfL procurement process, in order to draw on the experience from TfL. The aim is to pool the electricity demand of TfL with that of smaller GLA Group bodies to allow the entire Group to benefit from enhanced purchasing power. There is likely to be a significant gap between the TfL-only PPA contract award and the launch of any Group PPA.<sup>198</sup>

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<sup>195</sup> London Assembly Environment Committee, [Transcript of Item 5 – Energy Efficiency](#), 28 June 2022

<sup>196</sup> TfL Finance Committee, [TfL Power Purchase Agreements](#), 23 November 2022

<sup>197</sup> GLA, Questions to the Mayor, [Pause to TfL power purchase agreements](#), 20 December 2022

<sup>198</sup> TfL Finance Committee, [TfL Power Purchase Agreements](#), 23 November 2022



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### Vietnamese

Nếu ông (bà) muốn nội dung văn bản này được dịch sang tiếng Việt, xin vui lòng liên hệ với chúng tôi bằng điện thoại, thư hoặc thư điện tử theo địa chỉ ở trên.

### Greek

*Εάν επιθυμείτε περίληψη αυτού του κειμένου στην γλώσσα σας, παρακαλώ καλέστε τον αριθμό ή επικοινωνήστε μαζί μας στην ανωτέρω ταχυδρομική ή την ηλεκτρονική διεύθυνση.*

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ਜੇ ਤੁਸੀਂ ਇਸ ਦਸਤਾਵੇਜ਼ ਦਾ ਸੰਖੇਪ ਆਪਣੀ ਭਾਸ਼ਾ ਵਿਚ ਲੈਣਾ ਚਾਹੋ, ਤਾਂ ਕਿਰਪਾ ਕਰਕੇ ਇਸ ਨੰਬਰ 'ਤੇ ਫੋਨ ਕਰੋ ਜਾਂ ਉਪਰ ਦਿੱਤੇ ਡਾਕ ਜਾਂ ਈਮੇਲ ਪਤੇ 'ਤੇ ਸਾਨੂੰ ਸੰਪਰਕ ਕਰੋ।

### Hindi

यदि आपको इस दस्तावेज का सारांश अपनी भाषा में चाहिए तो उपर दिये हुए नंबर पर फोन करें या उपर दिये गये डाक पते या ई मेल पते पर हम से संपर्क करें।

### Bengali

আপনি যদি এই দলিলের একটা সারাংশ নিজের ভাষায় পেতে চান, তাহলে দয়া করে ফো করবেন অথবা উল্লেখিত ডাক ঠিকানায় বা ই-মেইল ঠিকানায় আমাদের সাথে যোগাযোগ করবেন।

### Urdu

اگر آپ کو اس دستاویز کا خلاصہ اپنی زبان میں درکار ہو تو، براہ کرم نمبر پر فون کریں یا منکورہ بالا ڈاک کے پتے یا ای میل پتے پر ہم سے رابطہ کریں۔

### Arabic

الحصول على ملخص لهذا المستند بلغتك،  
فارجاء الاتصال برقم الهاتف أو الاتصال على  
العنوان البريدي العادي أو عنوان البريدي  
الإلكتروني أعلاه.

### Gujarati

જો તમારે આ દસ્તાવેજનો સાર તમારી ભાષામાં જોઈતો હોય તો ઉપર આપેલ નંબર પર ફોન કરો અથવા ઉપર આપેલ ટપાલ અથવા ઈ-મેઈલ સરનામા પર અમારો સંપર્ક કરો.

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