



Sian Berry AM Chair of the Housing Committee

Sadiq Khan

Mayor of London

(Sent by email)

5 October 2021

Dear Sadiq,

I am writing to you on behalf of the London Assembly Housing Committee regarding our recent investigation into retrofitting London's housing stock. To meet your ambitious target of making London a zero carbon city by 2030, you will understand the importance of taking action to decarbonise all of London's 3.5 million homes.

To support our investigation, we held a meeting on 20 July 2021 with a range of experts to discuss the structural challenges, costs and skills required to retrofit all of London's homes. Guests at our meeting included: Shirley Rodrigues (Deputy Mayor for Environment and Energy), James Hardy (Head of Energy for the GLA), Susan French (Chief Executive of Barnsbury Housing Association and Vice Chair of the g320), Councillor Adam Harrison (Cabinet member for a sustainable Camden in the London Borough of Camden) and Bradley Tully (Senior Public Affairs Officer from the Royal Institution of Chartered Surveyors). I am writing to share with you our key findings and recommendations. Please refer to **Appendix A** of this letter for a full list of our recommendations.

The Committee has also written to the Secretary of State for Levelling up, Housing and Communities, with a range of recommendations for the Government. I urge you to back the Committee's recommendations put forward both in this letter and those presented to the Secretary of State (see **Appendix B** for a list of these recommendations).

The costs of retrofitting

At our meeting, we heard from the Deputy Mayor for Environment and Energy, Shirley Rodrigues, who outlined the scale of the challenge facing London as it attempts to decarbonise its housing stock. We were informed that the entirety of London's 3.5 million homes needed some form of work to reduce emissions, ranging from whole house retrofits to adapting energy infrastructure. The Deputy Mayor stated that £61 billion has been estimated as the cost of delivering infrastructure improvements in line with your 1.5C Compatible Climate Action Plan for London to become carbon neutral by 2050. To meet your 2030 target, we were told costs may be higher and that modelling for this was being updated. **I would be grateful if you could provide details of this modelling to the Committee once it has been completed.**

We were also told that despite the aspirations of your 2021 manifesto to retrofit millions of homes, there are tangible barriers which are likely to impact the pace and scale at which retrofitting can be delivered.¹ Specifically, issues concerning the lack of funding, inadequacies within the supply chain and the complexity of London's housing infrastructure.

While we were pleased to hear that some steps have already been taken to address these challenges, including the Innovation Partnership aimed at facilitating greater collaboration between local government, housing associations and developers, we feel that more can be done to accelerate a wide-scale retrofitting programme in London and to demonstrate real leadership in confronting the threat of climate change.

It is particularly disappointing that, under your Retrofit Accelerator Programme, just 1,600 homes will be retrofitted by August 2022. While we understand the Retrofit Accelerator is a successor programme and has a greater emphasis on deep home retrofit (involving greater carbon savings per household retrofit), it remains that the number of homes to be delivered compares unfavourably with previous programmes, for example the retrofitting of 130,000 homes between 2009 and 2016 under the RE:NEW programme,² and of 660 public sector buildings in the same period under the RE:FIT programme.³

We appreciate that to achieve the whole of your retrofitting ambitions, greater support from central Government may be required, but we strongly believe there are actions that you, as Mayor, can take to better support retrofitting in London. Below are some key actions that the Committee would like to see you take forward in light of our investigation.

Heritage and Conservation

The Committee heard from Susan French, Chief Executive of Barnsbury Housing Association and Vice Chair of the g320, a group of small and medium housing associations, who stated that a key challenge was retrofitting listed buildings, which are often concentrated in conservation areas. It is often not possible to undertake extensive works on these buildings, in which case emissions need to be offset through other measures. Listed buildings are not as energy efficient as new builds and

¹ [Sadiq Khan, 2021 manifesto](#)

² [RE:NEW success, GLA](#)

³ [RE:FIT Programme cuts carbon emissions from London's public buildings, C40 Cities, June 2017](#)

need to be drastically upgraded to improve their energy performance in order for the UK to meet its climate obligations. There is not always a conflict, but where there is, a better balance should be struck between decarbonisation and preserving these areas and buildings without change. The Committee was told that to do this, dialogue will have to be started on planning standards and where compromises could be made within heritage properties to improve their energy efficiency. For example, solar panels offer an opportunity to offset emissions without making permanent, structural changes to a building.

Closely linked to this is public perception of risk and delay; homeowners are sometimes reluctant to carry out work over concerns that they will not be granted planning permission to do so. The Committee was told that the message being conveyed is: “heritage trumps everything else.”

London is home to many historically important buildings and homes, and it is important that these are decarbonised to not only improve energy efficiency but also ensure they remain viable for the future. We also note that one of your manifesto pledges was to continue to support London as a solar energy city and help make solar power more affordable and accessible for Londoners.⁴

You previously told the London Assembly that some local authorities have removed permitted development rights for solar panels due to concerns over visual impact. This means that, in these localities, planning permission is required for solar installation. You also informed us that as part of your Solar Action Plan, your officers would engage with boroughs to map the variance of planning approaches and help achieve consistency, where possible, across London.⁵ Subsequently, you informed us that you have commissioned work to gather evidence and insights on the challenges and opportunities that existing planning regulations present to retrofitting residential properties (including installation of solar PV) in London, with recommendations due at the end of this year.⁶

We recommend: a) that you inform the Committee of the outcome of your mapping exercise and commissioned review of planning issues with respect to retrofit and solar energy, b) that you advise whether there are any opportunities for you to use your planning powers to make it easier to secure consent for installation of solar panels across more areas of London and help Londoners to understand the rules governing installation of solar panels for listed buildings and conservation areas, and c) that this work results in more consistent conservation policies within boroughs to be as supportive as possible of retrofit and renewable energy.

ECO Spending

At our meeting, the Deputy Mayor highlighted that Government funding programmes to support retrofitting such as the Energy Company Obligation (ECO) are in place to help local authorities access vital resources for retrofitting programmes. However, it was brought to our attention that the existing ECO spending arrangement fails to meet the needs of Londoners. As you have highlighted, Londoners have paid £82.3 million annually to the ECO programme, while £27.3 million has been

⁴ [Sadiq Khan, 2021 manifesto](#)

⁵ [MQT, Fitting solar panels in conservation areas, 16 May 2019](#)

⁶ [MQT, Solar Panel Installation 1, 13 September 2021](#)

spent in return, a shortfall of £55 million every year.⁷ We are aware that lobbying efforts have been conducted to ensure London receives a greater share of ECO spending.⁸

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

Private Rented Sector

At our Committee meeting, we heard about the importance of increasing the rates of retrofit in the private rented sector. This is particularly important for London, where a substantial population rent privately. Improvements in this sector will enable London to better meet its ambitions to adapt its housing stock to meet environmental targets, and it may also mean that those living in the private rented sector will pay less for energy in the future. We have recommended that Government should raise the landlord cost cap to £10,000 to increase the extent of works private sector landlords are undertaking to meet mandatory minimum energy efficiency standards, however we would also like to see action at a London level to identify where further improvements could be made.

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

Affordable Homes

At our Committee meeting, questions were raised as to whether homes currently being developed under the Affordable Homes Programme will require retrofitting in the future, to enable them to meet net zero carbon status. For both the 2016-23 and 2021-26 Affordable Homes Programmes can you confirm a) the number of starts, b) how many of those starts will deliver zero-carbon on-site c) the carbon offsetting provided for those starts that will not deliver zero-carbon on-site d) whether homes that are not currently zero-carbon have been built with consideration of the need for potential retrofit in future, for example by making them ready to take advantage of future improvements in technology.

We welcome the range of sustainability commitments in the new Affordable Homes Programme 2021-26, including that all developments of 10+ homes must be net zero-carbon. **As allocations have now been made for the next five years, please advise how many homes will not meet these commitments, for example developments of less than 10 homes or because they were otherwise negotiated?** Homes developed under the Affordable Homes Programme 2016-23 were required to meet previous London Plan requirements. **We would welcome your advice on whether any homes from either the 2016-23 or the 2021-26 Affordable Homes Programme will require retrofit in future and a timescale for this.**

⁷ [Mayor's written evidence to the Environmental Audit Committee inquiry into energy efficiency of existing homes, July 2020](#)

⁸ [MQT, ECO funding, 13 September 2019](#)

There are real opportunities for London to make the case for support to implement a major programme of retrofitting. Given the unique nature of the London housing stock and the sheer scale of potential demand, this offers ample opportunity to support the development of a vital new market that will generate substantial economic gains, reduce energy costs for Londoners and demonstrate London's leadership in tackling the climate crisis. We hope you take on board and pursue the recommendations outlined in this letter and that we can engage constructively together going forward as we look to make retrofitting accessible for every Londoner.

I would be grateful for a response to this letter by 20 October 2021.

Yours,

A handwritten signature in black ink, appearing to read 'Sian Berry', with a stylized flourish at the end.

Sian Berry AM
Chair of the Housing Committee

Appendix A: The London Assembly Housing Committee's recommendations to the Mayor on retrofitting London's homes.

- 1. We recommend: a) that you inform the Committee of the outcome of your mapping exercise and commissioned review of planning issues with respect to retrofit and solar energy, b) that you advise whether there are any opportunities for you to use your planning powers to make it easier to secure consent for installation of solar panels across more areas of London and help Londoners to understand the rules governing installation of solar panels for listed buildings and conservation areas, and c) that this work results in more consistent conservation policies within boroughs to be as supportive as possible of retrofit and renewable energy.**
- 2. We recommend that you continue to lobby for ECO spending which better matches what Londoners pay for energy and push the Government to ensure that London receives fair financial support or sufficient powers to raise this finance itself.**
- 3. We recommend that you bring together private sector landlords and tenants to look at barriers to retrofit and the ways in which Government or local government action could overcome them.**

Appendix B: The London Assembly Housing Committee's recommendations to the Government on retrofitting London's homes.

- 1. London should get its fair share of all retrofit spending, particularly ECO funding, or sufficient powers to raise finance itself. The Government should also outline what proportion of the Shared Prosperity Fund London will receive and ensure that this, at the very least, matches what Londoners pay for energy.**
- 2. The Government should consider implementing multi-year, user-friendly funding schemes. This would increase sector and homeowner confidence and give contractors and providers longer-term certainty on delivery of programmes.**
- 3. The Government should implement its proposal to raise the landlord cost cap to £10,000 to increase the extent of works private sector landlords are undertaking to meet mandatory minimum energy efficiency standards.**
- 4. The new Decent Homes Standard should mandate minimum energy efficiency standards, with a view to achieving net zero emissions at least in line with the Government's 2050 target.**
- 5. The Government should ensure that cladding remediation does not negatively impact on retrofitting work and could potentially enable both areas of work to be carried out at the same time.**