<u>Powers in</u> Place briefing



Buildings

The Key Takeaway

To reduce emissions from buildings, it is crucial to focus on three key actions: constructing new buildings to be Net Zero carbon, retrofitting existing buildings to minimise emissions and transition to low-carbon heat, and establishing low or zero carbon energy infrastructure for building energy supply.

About UK100

UK100 is a network of local leaders who have pledged to lead a rapid transition to Net Zero with Clean Air in their communities ahead of the government's target.



Executive Summary

<u>Powers in Place</u> is a handbook of the powers that local authorities have to deliver Net Zero, and whether they can deploy these powers effectively to create change. The report covers five areas powers, transport, buildings, energy and waste.

CO2 emissions caused by energy use in housing, commercial buildings and the public sector account for around 41% of the UK total, with housing alone contributing 30%.

As a direct result of changes to government policy, building standards have lacked the ambition needed to deliver Net Zero from the sector. Current policies limit local authorities' ability to make any significant contribution to reducing emissions and retrofit of existing buildings has been woefully under-funded.

There is a need to establish a long-term framework that supports all local authorities to decarbonise buildings and heat in a way that suits the nature of buildings in their area.

Key Recommendations



Significantly increase funding for energy performance improvements to all buildings, which is non-competitive with longer timeframes.



Require local authorities to enforce and report on Minimum Energy Efficiency Standard (MEES), with the scope and processes involved significantly revised so that it is a usable tool to manage carbon improvements across the existing building stock.



Require local planning authorities to prioritise The Climate Change Act in Planning Policy over developer viability and remove competition between climate mitigation and adaptation criteria and other "planning contributions."

Challenges

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Planning

- Declaring a Climate Emergency or even the Climate Change Act hold little weight in planning policies
- The Planning Inspectorate decisions are often inconsistent, there is lack of agreement on the relative importance of different government policies.
- Viability is enshrined in Planning Law, aiding developer's argument that sustainability requirements would make their developments unviable usually with limited due diligence/ challenge from Local Authorities.
- Local Plans can take up to 10 years to develop and enact making policies and evidence easily becoming out of date.
- There is an imbalance of power between developers and local authorities, particularly for smaller authorities and those with low house prices.



Staff expertise and capacity

- Reduced capacity due to funding cuts since 2010 left authorities with a lack of expertise to develop effective zero carbon policies, limited training and time available to build capacity or enforce regulations.
- Presently the main route to problem identification is through a tenant complaint or the issue coming to light via fuel poverty measures. Tenants may be unaware or fear evictions.
- Authorities have limited capacity to develop bids for competitive funding. £130m has been spent since 2019 on bidding for local government funding pots.



• The Able to Pay segment has largely been ignored in recent years. There is a lack of trusted independent advisors for householders and accessing capital is also a challenge.



Quantity over quality

- Local authorities reported pressure to enable development "at any cost". Construction methods often do not meet the basic building regulations, including energy performance.
- Quality of construction affects building energy performance, which often goes unnoticed by building control during construction, due to lack of guidance, training, skills, and funding.
- Right to Buy scheme allows councils to retain 40% which still leads to a low replacement rate as finding the remaining 60% contribution is challenging



- There is no clear and effective definition of "zero carbon buildings" with electricity demand for anything plugged in being excluded.
- Energy Performance Certificates (EPCs) are not a good representation of the carbon performance of a building in operation, it is a tick box exercise.
- Lack of a central register for rental properties and their EPCs, requiring excessive time and effort for local authorities to identify non-compliant properties due to inaccurate and unlinked data sources.



- Local authorities are already finding that the construction supply chain cannot deliver in terms of materials, technology and skills.
- Business support generally falls under the remit of economic development teams, who generally do not have specialist climate change expertise



The <u>Greater Manchester</u> <u>Combined Authority Retrofit</u> <u>Plan</u> is a comprehensive programme to develop the retrofit market, including action on skills, funding and finance, and delivery which will upgrade 60,000 homes per year. There are specific measures aimed at the Willing to Pay households. GMCA is partnering with the Green Finance Institute to trial and scale financing solutions for home energy efficiency improvements.



Read Powers in Place

<u>Read Briefing Notes on Buildings,</u> <u>Energy Infrastructure, Local Powers and</u> <u>Waste</u>

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Both Cornwall Council's Climate **Emergency Development Plan** Document and Bath & North East Somerset's (BNES) Local Plan Partial Update aim to implement an energy-based net zero policy, which includes requiring on-site renewable energy generation to match total energy use. BNES will also impose net zero operational carbon standards for new major non-residential development, and limit embedded carbon emissions in building materials to 900kg CO2e/m2.



Relevant Legislation	Power enabled or blocked
Town and Country Planning Act 1947Town and Country Planning Act 1990Planning and Compulsory Purchase Act 2004Localism Act 2011Neighbourhood Planning Act 2017	Framework requiring local authorities to develop local plans and give permissions for developments
Planning and Energy Act 2008	Set energy standards above building regulations and require on-site renewables for new developments
Town and Country Planning Act 1990Planning Act 2008	Introduced s.106 agreements and the CIL to provide developer contributions to supporting infrastructure
Localism Act 2011	General Power of Competence (GPoC)Set up own housing development organisationsBarrier: abolished regional spatial strategies and introduced Neighbourhood Plans with consequent extra demands on each Local Planning Authority (LPA)
Neighbourhood Planning Act 2017	Barrier: Centralising power allowing the Secretary of State to rule that an LPA may not impose certain planning conditions
Local Government Act 1988 and Localism Act 2011.	Loan capital to other organisations to build homes (e.g. Housing Associations)
Land Compensation Act 1973, Acquisition of Land 1981, Planning and Compensation Act 1991, Neighbourhood Planning Act 2017	Compulsory purchase of land to enable own development
Town and Country Planning Act 1990	Deal with abandoned buildings and spaces
Homelessness Reduction Act 2017	Justification for building council housing
Localism Act 2011: General Power of Competence	Power to do anything an individual may do, unless specifically prohibited. Enables commercial activities including setting up development companies, making loans to other organisations
Local Authority Land Act 1963	Enable local authorities to acquire land, build and fund those activities
The Limits on Indebtedness (Revocation) Determination 2018	Removed cap on council borrowing for house building
Housing and Planning Act 2016	Barriers: Extended Right to Buy, forced councils to sell high value homes, automatic planning consent given by national government on any land allocated in a development plan document
Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015	Minimum Energy Efficiency Standards (MEES) for rented properties
Housing Act 2004	Housing Health and Safety Rating System (HHSRS) - local authorities keep under review the conditions of residential buildings in their area and take action where hazards are identified
Homes (Fitness for Human Habitation) Act 2018	Supporting legislation setting standards for landlords and private housing that can be enforced under HHSRS
Energy Performance of Buildings (England and Wales) Regulations 2012	Energy Performance Certificates (EPCs) on sale or rent or property
Building Act 1984, The Building Regulations 2010 and (Amendment) Regulations 2021	Building Control functions relating to energy performance of new buildings and changes to existing buildings, and contractor compliance schemes
A Decent Home: Definition and Guidance for Implementation, Department for Communities and Local Government in June 2006	Decent Homes Standard for social housing – a duty to report
Clean Air Act 1993 and 2019 Clean Air Strategy	Limit pollution from burning fuels
The Electricity and Gas Energy Company Obligation (ECO) Order 2018	Directing a proportion of ECO money to homes identified by the council
Warm Homes and Energy Conservation Act 2000	Actions to address fuel poverty
Local Government Act 2003	Grants for central heating in private homes
Regulatory Reform (Housing Assistance) (England and Wales) Order 2002	Home improvement grants
Home Energy Conservation Act 1995	Reporting on energy conservation measures undertaken
The Environmental Permitting (England and Wales) Regulations 2010, Environment Act 1995 and Clean Air Act 1993	Enforcing emissions standards in industrial and commercial premises
General Permitted Development Order (GPDO) 2013	Barrier: Planning permissions not required for conversion of offices to dwellings.