



Next steps to zero carbon homes –
Allowable Solutions
DCLG

Contact: Nick Clack
Direct line: 020 7934 9830

Email: nick.clack@londoncouncils.gov.uk

Date: 15 October 2013

Email:
Building.Regulations@communities.gsi.gov.uk

LONDON COUNCILS' RESPONSE TO DCLG CONSULTATION ON "NEXT STEPS TO ZERO CARBON HOMES – ALLOWABLE SOLUTIONS"

London Councils is committed to fighting for resources for London and getting the best possible deal for London's 33 councils. Part think-tank, part lobbying organisation, and part service provider, London Councils formulates policies, organises campaigns and runs a range of services all designed to make life better for Londoners.

London Councils welcomes the opportunity to contribute to this consultation on behalf of London boroughs. Our response to the consultation has been developed following discussions and consultation with the boroughs and is attached overleaf.

Yours faithfully,

A handwritten signature in black ink that reads "Catherine West".

Cllr Catherine West
Chair of the London Councils' Transport and Environment Committee

LONDON COUNCILS' RESPONSE TO CONSULTATION ON "NEXT STEPS TO ZERO CARBON HOMES – ALLOWABLE SOLUTIONS"

Overarching comments

1. The impact that multiple, interlinked consultations running simultaneously has been significant and has made it difficult for the London boroughs to adequately consider and respond to the issues raised given the complexity of the changes, and the tight time frames given to respond. For example, this consultation on Allowable Solutions coincides with the consultation period on the major Housing Standards Review and concurrent consultation on the National Planning Policy Guidance.
2. London Councils advocates that the key principles and processes for the delivery of Allowable Solutions should be structured and implemented in accordance with the localism agenda. Boroughs have strong concerns that some of the proposals run counter to the principles of localism and neighbourhood planning because the link between local areas and their ability to prioritise issues or influence developments will be lessened.
3. Specific concerns include:
 - The link within the planning system between impacts and their amelioration taking place in a particular locality would be lost
 - There would be a negative effect on local democracy because councillors will be unable to address all of the impacts arising from a development
 - Allowable Solutions projects for any developments in London boroughs are unlikely to be delivered in the same local authority area, or even in London, because the delivery costs will very often be lower elsewhere in the country
 - Local authorities would be prevented from setting an appropriate local carbon price, and holding and managing the Allowable Solutions funds locally
 - The overall policy direction seems to conflict with a range of policy objectives currently being promoted elsewhere in government by DECC to support decentralised energy networks, promote delivery of Green Deal, the Energy Company Obligation (ECO) and the Renewable Heat Incentive (RHI), and address fuel poverty
4. We suggest that the principles of localism and these concerns would be addressed by building into the proposals the following elements:
 - **Flexibility for local authorities to set a local carbon price, within a price cap based on a proportion of the average local sales price.** This would need to be based on evidence of local opportunities for carbon reduction, associated carbon savings and costs of implementation. If set through planning policy, this would be subject to the National Planning Policy Framework's (NPPF's) strict testing of impact on development viability, which many local planning authorities in London and elsewhere have already put in place and many more are working on this.
 - **Local authorities should have the option to hold and manage funds locally.** They have extensive experience of doing this and should not be required to channel funds to a single bureaucratic national Allowable Solutions fund.
 - **Housebuilders should be required to use the local authority carbon abatement service where one has been established before contracting with a private third-party Allowable Solutions provider.** Where local authorities have a clear offsetting policy in place, this should be the preferred delivery model. If a council does not want to take this route, then it could defer to a regional or national mechanism. The consultation recognises some benefits of a spatially constrained approach to offsetting which we would support.

5. These suggested amendments to the proposals would have the following benefits:
- **Energy resilience** – Implementing local energy efficiency projects would help to ensure that demand on the local energy network is reduced. This is a key issue in London as the network is already under significant stress.
 - **Incentivising housing growth** – A local approach to Allowable Solutions could provide an important additional incentive for local communities to support housing growth (like s106 funded projects). If only a national mechanism is available, there will be much less incentive for communities to accept additional development.
 - **Co-benefits** – It ensures that the negative impacts of emissions from new development that are closely tied with carbon emissions and that have a direct local impact such as air pollution are mitigated in the local area. Understanding such co-benefits of a local approach would reinforce the legitimacy of Allowable Solutions for local people.
 - **London will get its fair share of Allowable Solutions benefits** – One in four of new homes built in 2012/13 was in London. London has its own carbon reduction targets to meet and should be allowed to secure its fair share rather than the funding going to the lowest-priced abatement schemes which will tend to be outside of London.
 - **Local joined-up solutions** – By ensuring that carbon offsetting activities are planned in consultation with the local authority, they could be coordinated with wider strategies and projects funded through other means thereby maximising economies of scale and timing.

Responses to specific consultation questions

6. London Councils' responses to the specific consultation questions are set out in DCLG's response form provided alongside this document, which picks up and provides more detail on the issues and proposed approach set out above.