

Nearer to Zero: Central London

8th July 2014



City of Westminster



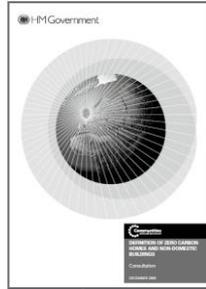
NEXT STEPS FOR ALLOWABLE SOLUTIONS

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July 2014

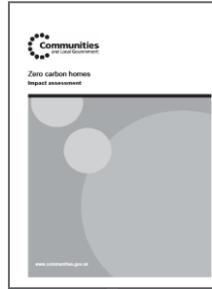


Allowable Solutions – the journey to date



December 2008

Government consulted on revised definition of zero carbon for new homes, first mention of 'Allowable Solutions' concept



10 May 2011

Government published an impact assessment on a revised definition of zero carbon for new homes applying an 'indicative' Allowable Solutions price



July 2011

Zero Carbon Hub publishes a 'proposed conceptual framework' for Allowable Solutions based on industry and wider stakeholder group input and feedback



September 2012

Zero Carbon Hub publishes a report containing further industry and wider stakeholder feedback on how to deliver a workable framework for Allowable Solutions

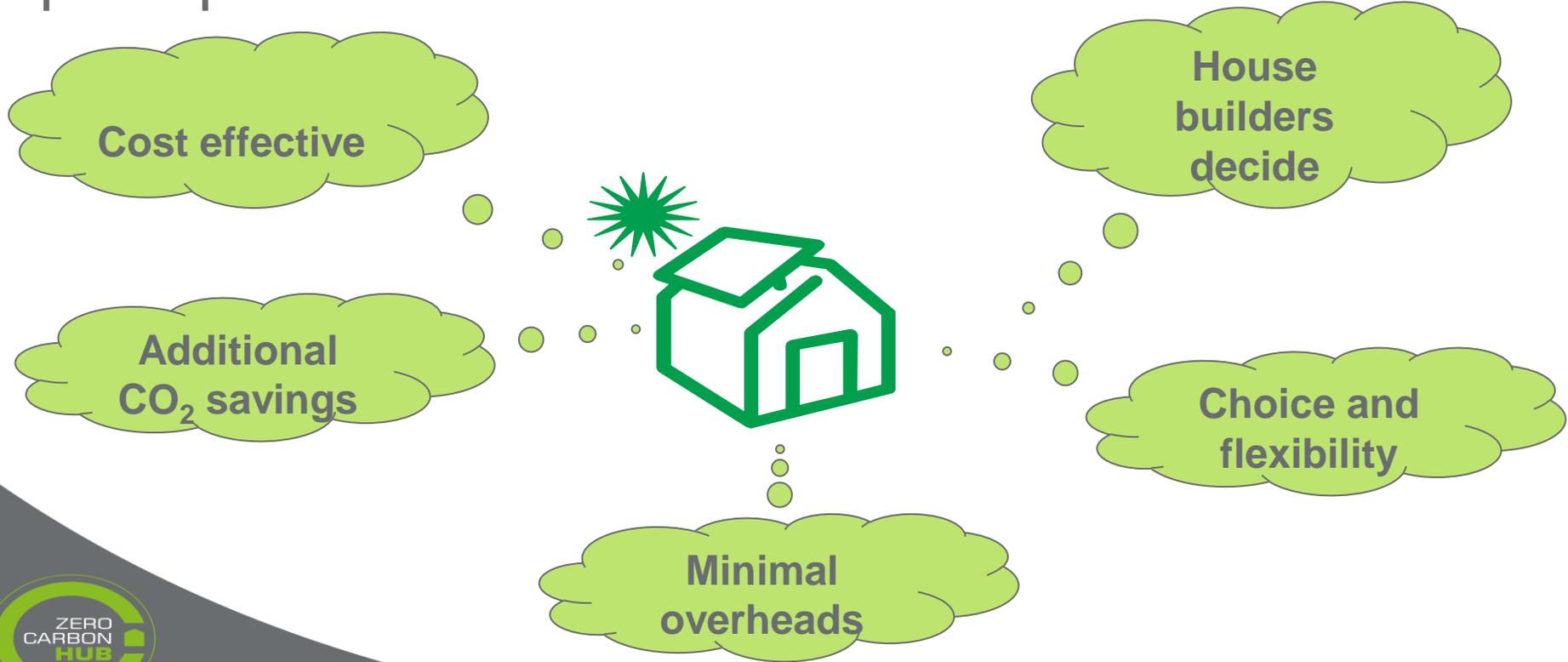


August 2013

Government launches long awaited consultation on Allowable Solutions and next steps for Zero Carbon where focus is on design principles



Government consulted on the following design principles for Allowable Solutions



Government also consulted on a range of delivery models

100% On site

Beyond Carbon Compliance

D.I.Y

Retrofit, heat networks, Beyond Part
L banking

3rd Party
Contracting

Direct, LA, matching, brokerage

Invest in a Fund

Managing a portfolio of projects

How do I achieve compliance?



Today's announcement on Allowable Solutions

- Government will set out a national framework for Allowable Solutions
- The four delivery routes consulted on will be available to developers
- Legislation will enable Allowable Solutions to be established through building regulations
- Price cap will be set for funds, reviewed every three years
- Allowable Solutions measures to be driven by criteria based scheme
- Verification and Certification arrangements will be establish for each route
- Government will seek to minimise administrative burden and overhead costs of Allowable Solution certification and verification



What industry feedback has the Hub captured around Allowable Solutions?

- Clear consensus around design principles set out by Government
- Majority of stakeholders believe that the Allowable Solutions framework should be set at a national level, although concerns raised by local authorities
- No clear preference for any particular delivery route, on-site delivery and payment into a fund received highest level of support
- Overall, house builders meeting requirements themselves through off-site actions received the least support



What industry feedback has the Hub captured around Allowable Solutions?

- Views were fairly evenly split on whether AS should be confined to the built environment. There was a slight preference for not confining measures to the built environment
- Results demonstrated a strong preference for AS measures being delivered across the domestic and non-domestic sectors
- Nearly half of participants wanted to see AS projects being limited to the locality of the development. The next preference was for measures to be delivered in the UK, rather than England alone

What industry feedback has the Hub captured around Allowable Solutions?

- Participants demonstrated a preference for a criteria based approach
- All five criteria proposed by DCLG were supported by participants, with “carbon impacts” and “cost-effectiveness” considered to be most important by the majority
- Although a ceiling price was the most popular option with participants, there was no clear majority
- There was no clear majority view on what the correct level for any price cap should be. The central price put forward in the consultation of £60/tCO₂ was favoured by more participants than other options



Where now for Allowable Solutions?

- We await further details on Government announcements in due course
- Confirmation of price for Allowable Solutions is crucial in order to enable business planning alongside details of qualification criteria
- Verification and Certification is a key area requiring action
- Testing market processes for Allowable Solutions will be key in order to build confidence, industry understanding and the supply of potential projects