

# Response to the Sustainability of the Built Environment Consultation

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Alliance

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The [Heritage Alliance](http://www.heritagealliance.org.uk) is England's coalition of independent heritage interests. We unite more than 160 organisations, which together have over seven million members, volunteers, trustees and staff. We sit on the Government's Heritage Council and on the sector's Historic Environment Forum.

Our heritage is one of our greatest national assets. It creates vibrant places and defines our towns, cities, countryside, and coasts, encouraging inbound tourism, uniting and levelling up communities, and enhancing our nation's soft power internationally. It tells our stories as a nation, supporting social cohesion, rootedness and identity. Heritage drives beneficial change, contributing to our well-being, enhancing biodiversity and supporting long-term environmental sustainability.

The Heritage Alliance has been in discussion with MHCLG on various issues, such as changes to Permitted Development rights, planning reform and energy efficiency of historic buildings. We believe that heritage can help to address many Government priorities, including providing many quality homes through creative reuse. Our CEO Lizzie Glithero-West represented the views of members of The Heritage Alliance at a heritage roundtable with Robert Jenrick MP about changes to the Planning White Paper in September 2020 and further at the October 2020 meeting of the Heritage Council, attended by Christopher Pincher MP. This follows our previous coordination of the views of the independent heritage sector with MHCLG about changes to the National Planning Policy Framework in 2018.

## **What role can the planning system, permitted development and building regulations play in delivering a sustainable built environment? How can these policies incentivise developers to use low carbon materials and sustainable design?**

The planning system has many levers to ensure that planning and development protects heritage and delivers a more sustainable built environment, including national and local planning policies, planning guidance, and engagement with communities. The planning system can, through the planning permission process, assess the extent to which development and restoration deliver the goal of a more sustainable built environment. However, permitted development is not an effective tool to deliver a sustainable built

environment because it allows demolition, and bypasses the planning permission process which assesses the impact and detriment of demolition.

New homes do not have to be new-build. Re-using historic buildings to meet office and housing needs not only helps creating beautiful places and homes, but also adds to the overall attractiveness to the area, making people connect better with the places they live in, support the communities, promote wellbeing and social cohesion, while reducing carbon footprint significantly. [1] Buildings of traditional construction are generally built to last, using locally sourced natural materials. The re-use of buildings and building materials not only avoids carbon emissions, but also helps to conserve our finite natural resources from further exploitation.

It is of high importance that Local Authorities are statutorily required to have a Historic Environment Record, as these aid decision-making. A statutory requirement for local authorities to provide historic environment services and Historic Environment Records (HERs) would help to protect our heritage from the unforeseen consequences of the changes to the planning system and to permitted development. The Heritage Alliance calls on the UK government and political parties to adopt the legislation in Clauses 210-215 of the 2008 Heritage Bill, which would enforce a statutory duty on local planning authorities to create and maintain (by keeping up to date) a HER for its particular area. Good digital access to data is also important in this space. Local Authorities should receive adequate resourcing in order to properly record data on historic buildings and ensure their sustainable use.

[1]

<https://www.theheritagealliance.org.uk/wp-content/uploads/2020/10/Building-Better-Building-Beautiful-04102019.pdf>

### **Retrofitting of existing buildings**

The UK Climate Change Committee (CCC) has stated that buildings are not on track to meet the UK's 2050 net zero targets [1]. The CCC has identified retrofitting existing homes as one of five priorities for government action [1]. Research from Historic England on embodied carbon in buildings has shown that reuse through refurbishment and retrofit, rather than demolition, **has the potential to reduce carbon emissions by more than 60% by 2050** [2]. When a typical historic building such as a Victorian Terrace is sympathetically refurbished and retrofitted and **the whole life carbon of the building is considered**, it will emit less carbon by 2050 than a new building.

According to the UK Green Building Council the built environment contributes 42% of the UK's total carbon footprint [3]. This estimate of emissions includes the direct emissions from buildings (17%), plus the embodied emissions from buildings through new construction (6%), electricity grid emissions (5%) and finally the emissions generated from transport (14%). Reuse should be incentivised both through the planning system and related fiscal measures such as the VAT system on repair and maintenance.

Enabling reuse of existing buildings is essential for achieving the UK's net zero emissions target. Traditional methods and materials are essential for the repair, reuse and maintenance of existing buildings. Investing in traditional skills supports local jobs, while these traditional

methods, which are often low carbon and use natural materials, are more energy efficient and can improve the resilience of places to face climate challenges and reduce local carbon emissions.

### **Demolition and Permitted Development**

The Heritage Alliance firmly believes that demolition of properties through permitted development is not acceptable and that demolition should remain within the remit of the full planning process where environmental and sustainability factors can be assessed through a rigorous process. The same should apply for 'change of use' applications. Following on from the above points on the repurposing and retrofit of existing buildings, possible reuse of existing buildings should always be considered before demolition. This issue is compounded by the fact that in England assets under consideration for designation are not currently subject to interim protection as proposed by the 2008 Heritage Bill. This would be an additionally transformative measure.

The full planning permission process also allows for consideration of the impacts of demolition or change of use on local infrastructure, landscape, environment and heritage. Many buildings that qualify for permitted development rights are of historic and archaeological interest, and are considered non-designated heritage assets. Older buildings, including commercial properties, especially those on our high streets, can have a new sustainable future as businesses with creative approaches.

There is a lack of assessment and evaluation of the impact of permitted development rights, and improvement in the evaluation process is something we would encourage. Without proper evaluation, it is impossible to know the full detrimental impacts of permitted development in any form, but especially around demolition. We would particularly encourage better evaluation in relation to heritage, taking into account the whole-life cycle of carbon emissions and the positive impact of the reuse and retrofit of existing buildings.

### **Incentivising Reuse and Retrofit**

The present VAT regime which charges no VAT on demolition and new build, but 20% on any alterations, repairs or maintenance is a clear disincentive to reuse and retrofit. We suggest a reduction of the VAT to 5%, and ultimately 0%, on the repair, maintenance, and improvement of dwellings, could help the Government meet the net zero carbon emissions target, while protecting the historic environment. This could initially be delivered through a subsidy or grant scheme, and assessed for its impact economically and environmentally.

Below are some suggestions on how heritage assets can be better protected and provide a route to more sustainable use of such buildings, by retaining them rather than demolishing them.

### **Extending protection for potential assets of community value**

Presently pubs are exempted from demolition by PD if they are a designated Asset of Community Value (ACV). This provision could be extended to any building which serves a community and social function. This could be achieved by varying the wording of existing

provisions within the order and would help protect unlisted churches, cinemas, community halls, sports pavilions and theatres and other such facilities. It could also help protect unlisted pubs where they have fallen into alternative community use. By retaining these buildings, and supporting their reuse, their embodied carbon would not be released.

### **Adding protection for buildings on local heritage lists, or that might be added to local heritage lists**

There is presently no protection for locally listed/undesigned heritage assets outside of conservation areas. Excluding them from demolition through permitted development would help protect those assets which contribute to local character or which have some other local significance, ensuring their sustainability. For greater robustness, the approach taken to retrospectively designating ACVs could be replicated for non-designated heritage assets. Also in common with ACVs this approach would put the onus on Councils and communities to identify and protect those buildings which are most valued and that have genuine significance.

[1]

<https://www.theccc.org.uk/publication/reducing-uk-emissions-2019-progress-report-to-parliament/>

[2]

<https://historicengland.org.uk/content/docs/research/understanding-carbon-in-historic-environment/>

[3]

<https://www.ukgbc.org/climate-change/#:~:text=The%20built%20environment%20contributes%20around,do%20with%20their%20functional%20operation.>

### **What methods account for embodied carbon in buildings and how can this be consistently applied across the sector?**

Historic England research (Understanding Carbon in the Historic Environment) [1] on embodied carbon includes a detailed methodology to assess the life cycle impacts of different concept-stage designs for historic buildings including refurbishment and demolish-and-replace. The proposed methodology was applied to two completed energy refurbishment projects and the data was analysed to obtain the life cycle emissions of the actual refurbishment works that were carried out at each dwelling and their projected long-term operational emissions.

The findings highlight that the energy efficient refurbishment of historic buildings is necessary to achieve performances similar to new buildings. It was also found that existing regulations, which consider operational emissions only, are misrepresentative of the total carbon emissions of demolition and new construction. In the case of the new-build, the omission of embodied carbon emissions would underestimate the total emissions by nearly 30%.

[1]

<https://historicengland.org.uk/content/docs/research/understanding-carbon-in-historic-environment/>

## **How should re-use and refurbishment of buildings be balanced with new developments?**

A balance can be achieved between re-use and refurbishment and new build by understanding the whole life carbon cycle of buildings and utilising the methodology of Historic England discussed in the previous question. If this is at the forefront of decision making on demolition and rebuild permission, a better environmental balance can be achieved. The prioritisation of refurbishment over demolition is inherently sustainable, as the waste of many materials with carbon already embedded in them would be avoided.

It is also important to take into consideration the other benefits of maintaining existing buildings and the historic environment landscape - the social, health & wellbeing, cultural and economic benefits to the area in which the building is located. Often, buildings represent more than just a set of walls and a roof, they are inherently integrated into the sense of place of a local community. Reuse and refurbishment are both good for the environment and the community, and should therefore be incentivised over new build, with new build being undertaken when there is no reuse option. Incentivising reuse and repair through an equalisation of VAT would create more of a level playing field where this is possible, rather than incentivising demolition.

## **What can the Government do to incentivise more repair, maintenance and retrofit of existing buildings?**

The built environment, with the construction sector, is the third highest carbon emitting sector in the UK, contributing up 40% of the country's carbon footprint. The historic environment can be part of the solution to reducing these emissions through reuse of historic buildings (and responsibly refurbishing them), rather than demolishing and building new ones. [1] To incentivise more repair, maintenance and retrofit of existing buildings, a more positive, and simpler, tax regime is needed. Work to historic buildings is subject to 20% VAT, yet no VAT at all is charged on demolition or new build. HMRC regulations state that for a development to qualify for no VAT "*any pre-existing building must have been demolished completely, all the way down to ground level*" [2]. This incentivises the demolition of old buildings rather than repairing, maintaining or altering them.

Incentivising repair and maintenance of existing buildings and supporting measures for improving energy efficiency of historic buildings in a sympathetic way is much better for the environment. VAT on the repair, maintenance and improvement of dwellings should be reduced to a par with VAT charged on new build, as well as the income tax on Heritage Maintenance Funds reduced from 45% to 20%. The majority of heritage is held in private hands, and Heritage Maintenance Funds allow for its climate and historic environment sensitive maintenance to be far more fiscally viable.

Repair and maintenance work of historic buildings generated £7.1 bn in construction sector output [3]. VAT equalisation would incentivise the construction sector to focus on repair and maintenance of existing buildings, as it would be financially lucrative; this would have the further impact of also being more environmentally sustainable. To test the benefits of an equalisation of VAT, the Government could pilot a grant scheme to repay VAT spent on the repair of listed buildings in areas of greatest need, like the Listed Places of Worship Grant

Scheme with a view to a wider roll-out. A reduction in the VAT rate would spur investment, create jobs and reduce the wasteful carbon effects of demolition and rebuilding.

An equalisation of VAT between repair and maintenance and new build would release investment, boost jobs and reduce the carbon effects of demolition and re-build. [4] This approach will also help the Government meet the target of net zero emissions by 2050. We believe it is the collective responsibility of the sector, Government, the construction industry, and the wider population to promote the repair and maintenance of the existing building stock in the UK.

[1]

<https://historicengland.org.uk/content/heritage-counts/pub/2019/hc2019-re-use-recycle-to-reduce-carbon/>

[2]

<https://www.gov.uk/guidance/construction-services-and-zero-rated-relief-vat-information-sheet-0717>

[3]

<https://historicengland.org.uk/content/heritage-counts/pub/2018/heritage-and-the-economy-2018>

[4]

<https://www.theheritagealliance.org.uk/wp-content/uploads/2021/02/Manifesto-2019.pdf>

**For further information or queries, please contact The Heritage Alliance.**

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