

SECTION 4.2

RETROFITTING HOMES HOW TO MINIMISE RISK



On 27 June 2019, the UK became the first major economy to pass laws to end its contribution to global warming by 2050. This requires the UK to reduce all greenhouse gas emissions to net zero. Climate change has become a concern that can no longer be ignored so the UK's implementation of international climate obligations is positive.

The heating of residential homes is one of the four highest carbon emitters in the UK, which is why the Government is focusing on retrofitting homes to increase energy efficiency. However, retrofitting UK homes in such a short time is a mammoth task.

While there is concern the target will not be met, we should also be wary of rushing, as short cuts now will give rise to future legal claims.

There appears to be little centralised government planning on this achievement and who will be responsible for overseeing it. Delays now will lead to a scramble to reach the target in the future. A lack of a centralised strategy has led to individual councils adopting their own targets and methods of achieving them. We also must ask whether the construction industry has the skills and capacity to meet the target.

While we don't want to detract from the need to reduce carbon emissions, it's important to highlight the potential risks that could result from a race to zero. The hope is that a standardised regulatory system is implemented soon, averting a climate and a legal catastrophe.

CAPACITY

Reports from the Institute of Engineering and Technology, as well as environmental think tank Green Alliance, have identified Energiesprong's standard as a viable retrofit approach that can be scaled up. As Katie outlined, Energiesprong is a Dutch initiative

which transforms old homes to meet modern energy efficiency standards. It achieves this by using new technologies such as prefabricated facades, insulated rooftops with solar panels, smart heating and ventilation systems.

However, the UK has some of the least energy efficient homes in Europe, with a third built before the Second World War. A report released by the Institution of Engineering and Technology and Nottingham Trent University states that to meet the target, 26 million retrofits are needed, which means a rate of refit of around 1.5 homes every minute from now until 2050. While there is concern the target will not be met, we should also be wary of rushing, as short cuts now will give rise to future legal claims.

A STANDARDISED APPROACH

We have not seen a centralised government strategy or regulatory framework outlining how the target will be achieved. On 18 June 2019, the British Standards Institution published *PAS 2035:2019 Retrofitting Dwellings for Improved Energy Efficiency – Specification and Guidance*. While TrustMark holders will be required to comply with *PAS 2035* when retrofitting homes, the Government has not taken control of how or when the retrofits will be implemented, or who will oversee them. Furthermore, many of the technical requirements in *PAS 2035* are optional, which could lead to a lack of compliance.

We have seen how retrofits can inadvertently make homes less energy-efficient and susceptible to damp and fire. For example, the Grenfell Tower tragedy and also the disastrous external wall insulation retrofit in Preston, which left over 300 homes uninhabitable. Clear regulation is vital in preventing a tsunami of claims against contractors, developers and councils.

There has also been little indication as to how the initiative will be funded. Her Majesty's Treasury will publish a report setting out principles to guide decision-making during the transition to net zero. Inevitably, an underfunded initiative will increase costs in the long run. ►



For certain properties, such as listed buildings, competing regulations are at play. An attempt to satisfy both listed building regulations and energy efficiency targets could result in neither being achieved. Forward planning and a standardised approach on how and whether listed buildings should be retrofitted is important.

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A WILD WEST APPROACH

Some councils are going further than the ambitious 2050 target. Bristol City Council was the first council to declare a climate emergency. The City of York Council has set a target of becoming a carbon neutral city by 2030, and Nottingham City Council plans to become the first carbon neutral city in the UK by 2028.

While the cause is noble, the rush to meet targets quickly, could exacerbate the risk of poor retrofits. The Government-funded research group Energy Systems Catapult states that: “achieving net zero significantly earlier than 2050 in our modelling exceeds even our most speculative measures”.

Furthermore, this piecemeal approach leads us to wonder what energy efficiency standards councils are adhering to. What will happen to the areas that aren't as environmentally proactive as Bristol, York and Nottingham? Will the Government impose sanctions on councils that don't act? The longer the Government takes to deliver a strategy, the less time there will be to implement initiatives.

SKILLS SHORTAGE

Another consideration is whether the UK construction industry is prepared to meet the 2050 target. According to the Federation of Master Builders, demand for many key trade-persons such as roofers, plumbers and plasterers far outweighs supply. The UK's departure from the EU could exacerbate the labour shortage, which risks inadequately qualified trade-persons being tasked with the retrofits.



MINIMISING RISK IN AN ATTEMPT TO REACH NET ZERO

- Take the obligation to reduce carbon emissions seriously.
- Set realistic targets.
- Implement and follow a standardised regulatory framework.
- Appoint someone/a body to oversee the initiative.
- Standardise performance ratings.
- Consider how the initiative will be funded.
- Don't encourage or incentivise contractors to take short cuts.
- Consider how targets will apply to all buildings, for example listed buildings.
- Consider whether there is a sufficient supply of construction skills and assist with training schemes.
- Implement a bespoke system of dispute resolution..

BESPOKE SYSTEM OF DISPUTE RESOLUTION

Even the best planned and regulated approach will inevitably give rise to disputes. Therefore, it would be worth implementing a standardised dispute resolution approach to assist parties before disputes escalate, to keep dispute costs down and to allow works to progress simultaneously.

Reducing our net carbon emissions to zero is a great aspiration. However, a race to zero without proper planning, management and funding could make homes less energy efficient and even render properties unsafe or uninhabitable. It is in everyone's interest to have a proper regulatory framework to meet the target. We have learnt lessons from previous retrofitting schemes (such as Grenfell) and cavity and external wall insulation fit-outs, so centralised and local government should be in a good position to standardise a regulatory system at the outset.

AUTHOR

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