

**ENVIRONMENTAL  
SCRUTINY COMMITTEE  
BRIEFING NOTE**

**Planning Policy**

**20th January 2021**

## **1. Purpose**

1. The Chair of the Environmental Scrutiny Committee has asked for a briefing and presentation from Planning Policy providing an update on workstreams responding to the Climate Emergency and environmental policy.
2. This report covers the following areas:
  - How Planning intends to monitor and improve performance to increase onsite carbon reduction?
  - Update on the NSP, and associated Environmental policies
  - Any update on the carbon offset fund allocation policy and implementation

## **2. Background**

### **Policy Context**

3. A number of different carbon commitments have been made at various levels of governance. The UK Government statutory commitment is to achieve Net Carbon Zero emissions by 2050. This is echoed in policy in the New London Plan and the Greater London Authority which is committed to a net zero carbon city by 2050.
4. On 27th March 2019 Southwark's Council Assembly resolved to call on cabinet to declare a Climate Emergency and to do all it can to make the borough carbon neutral by 2030. In response to this declaration, the planning department has reassessed its policies and practice to try and meet this target. The council work to date has seen a 37% reduction in carbon from 2008. This is only a measure of the council's output, however, which represents 16% of the borough's total carbon emissions. In order to ensure that the 2030 target is achieved, planning policy is being completely rethought to innovate, balance competing policy objectives and make bold decisions to spend resources effectively to meet these ambitious targets.
5. The policies need to ensure the highest possible carbon reductions for the borough's largest emitters. The areas of focus are therefore heating solutions (which include retrofitting, insulation, design standards, and low carbon heating sources and exploring communal heating), and transport and congestion (which includes exploring lower carbon freight and freight consolidation, promoting a transition to carbon neutral transport and promoting behavioural change to more active travel modes).

### **3. How Planning intend to monitor and improve performance to increase onsite carbon reduction.**

#### **Emerging GLA Guidance**

6. The GLA have released, and are currently consulting on new guidance to set out how boroughs should be monitoring new development with regard to reducing carbon emissions. This guidance is designed to support the implementation of policies in the new London Plan that have already been consulted on. These documents support the delivery of policies in the New London Plan to reduce and monitor carbon emissions and promote a circular economy to address the Climate Emergency.
7. This guidance, as it evolves and is adopted will inform LB Southwark's monitoring to ensure that building performance is improved to reduce carbon emissions.

#### **Whole Life-Cycle Carbon Assessments guidance**

8. Whole Life-Cycle Carbon (WLC) emissions are the carbon emissions resulting from the materials, construction and the use of a building over its entire life, including its demolition and disposal. A WLC assessment provides a true picture of a building's carbon impact on the environment.
9. Draft London Plan Policy SI 2 sets out a requirement for developments to calculate and reduce WLC emissions. This requirement applies to planning applications which are referred to the Mayor, but WLC assessments are encouraged for all major applications.
10. The WLC Assessment is welcomed and supported by LB Southwark, as is the approach and methodology. A consistent template for the assessment of WLC is crucial to be able to create a London wide approach, and enable collaborate, share expertise and experiences with other boroughs to better address the climate emergency. LB Southwark supports a fabric first approach to building design.
11. The Whole Life-cycle carbon assessment template is clear, detailed and easy to use. The use of a template is supported to ensure that there is a consistent London-wide approach to monitoring of whole-life-cycle carbon in development. It would be useful to have a template and guidance on how LPAs should report on the whole life-cycle carbon of new development, as this is crucial information to understand the impact of the policies.
12. It is supported that there is a requirement for Whole Lifecycle Assessments at each stage of the application process and the approach is supported. It would be useful for the pre-application stage to be even more detailed to aid officers. The application stage spreadsheet would benefit from a high-level summary section of findings to aid officers and those commenting on the planning application. It is essential and supported that the submission stage assessment covers the current status of the electricity grid and the expected decarbonisation of the electricity grid.

13. The use of Benchmarks to assess the WLC assessments is supported. The benchmarks look sensible. Additional guidance and training would be welcomed for LPAs to be able to assess applications against these benchmarks. It would be useful to have guidance setting out how the assessments will be verified, and support for applicants and LPA officers.

### **'Be seen' energy monitoring guidance**

14. The 'Be Seen Energy monitoring guidance is designed to better understand the actual operational energy performance and work towards bridging the 'performance gap' between design theory and actual energy use of an occupied building.
15. Draft London Plan Policy SI 2 sets out the 'be seen' requirement for all major development proposals to monitor and report on their actual operational energy performance. The 'be seen' policy is designed to better understand and identify ways of closing the performance gap while ensuring compliance with London's net zero-carbon target.
16. The guidance sets out that planning applications should report at three stages: planning stage, as-built stage and in-use stage.
17. LB Southwark supports the implementation of this guidance for Be Seen monitoring guidance. It would be useful to be more detailed when defining an Energy Centre, and what the requirements would be for mixed use development. LB Southwark supports the use of performance indicators and the systems of reporting set out in the guidance. From an LPA perspective, it would be useful to know how the GLA will monitor indicators, what the expectations are for LPAs for monitoring, and the process for LPAs to report to the GLA and the GLA to LPAs.
18. LB Southwark would welcome continued support and review of monitoring to ensure it is consistent, accurate and feasible. This is crucial to understand the performance gap between consented buildings and operational buildings, and what future iterations of policy and guidance can do to close this gap.

### **Circular Economy Statements Guidance**

19. Circular economy principles include:
  - conserving resources, increasing resource efficiency and sustainable sourcing
  - designing to eliminate waste and for ease of maintenance
  - managing waste sustainably and at the highest value
20. Circular Economy Statements are designed to demonstrate how a development will incorporate Circular Economy principles in the design, construction and operation process. This requirement is set out in Policy SI17 of the London Plan. London boroughs are encouraged to apply Circular economy principles and devise their own lower local thresholds for Circular Economy Statements, for example for major development. LB Southwark will consider this in the review of the New Southwark Plan policies. All

development is encouraged to meet the Circular Economy principles regardless of if a Circular Economy Statement is required.

21. LB Southwark supports the implementation of this guidance for Circular Economy Statements. A consistent format and template for these statements is crucial for ease and accuracy of monitoring and assessment of planning application.
22. LB Southwark supports the need to submit a strategic approach at pre-application stage, a more detailed Circular Economy Statement at application stage and then submit an update to the Circular Economy Statement at Post-planning and completion stage. This should be secured by S106 and legal agreements. The GLA has provided draft wording. LB Southwark has not started using this wording yet, as advised by the GLA.
23. LB Southwark supports the methodology for the starting approach and guidance provided for each stage, and structure and contents. The submission of the assessment at three stages to assess if the principles have been addressed. It is welcome that this is assessed both qualitatively and quantitatively.
24. New GLA guidance also requires developers to provide a Whole Life Cycle Assessment and a Circular Economy Assessment to set out and justify how the new development is reducing carbon emissions onsite and reusing materials to optimise the embodied carbon in existing materials and development.
25. This guidance once adopted will apply to qualifying development in Southwark. This will require applicants to provide additional information on embodied carbon, operational carbon, carbon emissions and the performance gap associated with planning applications.

### **LB Southwark**

26. LB Southwark needs to understand how the GLA will be monitoring and reporting on this in practice, as the guidance progresses, to understand what, as a local authority needs to be monitored to be policy compliant, and also what is required to support our own policies and net zero carbon target. GLA guidance will inform what metrics will be used for monitoring.
27. In response to the Climate Emergency and emerging policy and guidance from the GLA, LB Southwark is compiling a strategy to ensure the consistent monitoring of energy performance of new buildings at various stages of the development process i.e. on approval, as built and operational building performance. This will ensure that monitoring is more accurate, and will ensure that what is built is consistent with what is consented to ensure that carbon emissions are reduced to ensure that net carbon zero is met in the borough.
28. It is considered important for LB Southwark to monitor:
  - a. the carbon reduction achieved on site against Part L 2013 Building regulations at the submission stage, and also the operational stage in order to address if there is performance gap;
  - b. heating and energy sources that are being consented;

- c. development proposing to connect to SELCHP; and
  - d. whole lifecycle carbon of new development.
29. In addition to improved monitoring, additional training and guidance options for planning officers will be undertaken to train them in pushing for greater carbon savings and being more aware of the climate emergency priorities and how this translates to development.
  30. A review is being undertaken of the monitoring of Energy Statements, monitoring of actual carbon reduction, types of technology used in construction, retrofitting, performance bonds.
  31. A Proforma or standardised table will be used alongside energy statements to standardise key data that LB Southwark need to monitor and assess in the planning process. These Proformas will indicate what the carbon reductions onsite are as well as building fabric efficiency.
  32. LB Southwark will continue to monitor the Carbon Offset Fund contributions, and report back to the GLA on this annually.
  33. LB Southwark will report monthly on the Carbon Offset Fund financial contributions collected and spending, as well as the types of community projects that have applied for funding. A new system of processing the carbon offset fund is being developed and this will also generate a new process where community projects and initiatives that reduce carbon emissions can access funding.

#### **4. Update on the NSP, and associated Environmental policies**

23. The New Southwark Plan (NSP) will go to examination in February – March 2021. This includes policy NSP69 Energy which is designed to meet net carbon zero targets by 2050.
24. A policy to meet 2030 is currently being prepared. A background paper and viability and feasibility testing will be prepared to support this policy and will scrutinise it to ensure it is effective at meeting the target and reducing carbon emissions. This policy will go to Cabinet in Spring 2021.

#### **5. Update on the carbon offset fund allocation policy and implementation**

25. The £95 per tonne carbon offset price was adopted by the Council in November 2020. It has been agreed that this new tariff will be required from 1<sup>st</sup> March whether a scheme has been to Planning Committee or not. All committee reports will set out that LB Southwark will be implementing the commercial tariff as set out in the London Plan from the date of London Plan adoption.
26. A Carbon Offset Fund report was completed in November 2020 by Anthesis Consultants. The report provides guidance to the council regarding the management and spending of the carbon offset fund. Members have already

agreed that the fund should solely be used for projects or initiatives that achieve a 1:1 or better carbon offset ratio, that considerations other than carbon savings should not be taken into account in the process of deciding which projects to fund, and that funding should not be geofenced.

27. Further decisions regarding the fund management and spending will be made the first Climate Emergency board meeting. The board will comprise members and chief officers.
28. A briefing note has been prepared which provides management and spending options for members consideration. A report will be taken on the carbon emergency fund spending to scrutiny in February/March 20201.