

ENVIRONMENT SCRUTINY COMMISSION

Summary MINUTES of the Environment Scrutiny Commission held on Monday 29 November 2021 at 7.00 pm at Ground Floor Meeting Room G02A - 160 Tooley Street, London SE1 2QH.

PRESENT: Councillor Margy Newens (Chair)
Councillor Adele Morris (Vice-Chair)
Councillor James Coldwell
Councillor Leo Pollak
Councillor Leanne Werner

OTHER MEMBERS PRESENT: Councillor Helen Dennis, Cabinet Member for the Climate Emergency and Sustainable Development

OFFICER SUPPORT: Stuart Davies, Director of New Homes
Colin Wilson, Head of Regeneration , Old Kent Road
Juliet Seymour, Planning Policy Manager
Julie Timbrell, Scrutiny Project Manager

1. APOLOGIES

There were no apologies.

2. NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE CHAIR DEEMS URGENT

There were no urgent items.

3. DISCLOSURE OF INTERESTS AND DISPENSATION

Councillor Margy Newens recorded that she is a shareholder investor in a Community Energy project initiated by SE24. She clarified that following a brief discussion at the last meeting she had received assurances from officers that this is not a pecuniary interest.

4. MINUTES

The minutes of the meeting held on 14 October 2021 were agreed as an accurate record, with one amendment, which was to correct the reference to the name of Dulwich College.

5. ENERGY REVIEW: OFFICER REPORT

The following provided presentations:

- Stuart Davies, Director of New Homes, Housing and Modernisation – see 'NEW HOMES net zero carbon commitment'
- Colin Wilson, Head of Regeneration , Old Kent Road, - see Old Kent Road presentation
- Juliet Seymour, Planning Policy Manager – see Planning Officer presentation

6. ENERGY REVIEW: ROUNDTABLE

The chair introduced the item by explaining that aim of the session is to lay down some pointers towards some of the changes required to meet the council's sustainable development and retrofitting objectives, and increase renewable energy production.

The chair then invited the following to provide a presentation:

- Greater London Authority: Catherine Barber, Assistant Director, Environment and Energy – see GLA energy presentation.
- Architect Climate Action Network; James Rixon and Sara Edmonds, Architects with a background in retrofit - see ACAN retrofit explainer presentation.

The following were invited to contribute to the roundtable:

- Passivhaus Trust, Jon Bootland, CEO, Passivhaus Trust
- British Land, Roger Madelin CBE Joint Head of Canada Water at British Land PLC
- Peabody, Richard Ellis, Director of Sustainability
- Berkeley, Andrew Maunder, Development Manager, Chloe Young, Head of Development, Berkeley Homes NEL and Victoria

Chater-Lea, sustainability advisor.

- Native Land, Felicity Masefield , Development Executive, responsible for formulating the Native Land Sustainability Strategy
- Fabrix, Matthew Weaver, Corporate Investment Manager
- Dulwich Estate, Simone Crofton, Chief Executive
- G320 Smaller Housing Associations of London, Mark Jackson, Chief Executive of Lambeth and Southwark Housing Association
- Lend Lease, Ian Smith, Senior Public Affairs Manager.

Wilmott Dixon, Richard Bartlett, sent apologies due to transport problems.

The chair invited questions and contributions .

A member asked about concerns around fire safety and the use of timber in construction. ACAN agreed there had been an overreaction to a complex issue, and drew the commission's attention to the website <https://www.architectscan.org/safe-timber>. The member said this campaign was supported by the council, and there are some interesting timber New Home projects coming through.

ACAN were asked about measuring embodied carbon. They said there are a range of tools to do this. ACAN are campaigning for embodied carbon to be regulated. LETI has an Embodied Carbon Primer aimed at Local Authorities.

A member commented that Southwark has taken in a lead doing roof retrofit and adding new houses, with the largest programme across Europe, but there has been no funding available through the GLA to add to this supply. Catherine Barber , from the GLA, said she will take that away to consider.

Members invited developers to showcase exemplar projects. Lend Lease spoke about the net zero development at Elephant Park and a 15 unit Passivhaus scheme.

Roger Madelin, British Land, spoke about Canada Water, which is low carbon, both emitted and embodied. He said that British Land's insurance broker would not cover timber, and there is some question about the embedded carbon of cross laminated timber. Instead a new form of earth friendly cement is being used in some buildings. Canada Water uses Local Heat Networks, which recycle heat from offices and residential blocks. Canada Water will not use gas, with the exception of the swimming pool, and this can be removed in the future. Roger Madelin reflected that while several years ago developments such as Kings Cross , which uses Combined Heat and Power (CHP) and green gas, were considered

at the leading edge of sustainable development, nowadays Canada Water will use local energy networks, which is probably more appropriate than CHP for new development given the available technology. This does mean that there are no gas boilers or cookers, which can elicit a kick back from residents, but new induction electric cookers are very high performing.

Several developers outlined their organisational targets for achieving net zero and how they are seeking to measure and reduce embodied carbon in construction, and scope 1, 2 and 3 emissions. Scope 1, 2 and 3 emissions include those caused by the building, supply chain and building use over time. Many are using renewable and hydro fuel in the construction phase. Scope 3 are more challenging and while they do not have all the answers they are working on supply chains and opportunities to use timber on some buildings, regulations permitting.

Jon Bootland, from the Passivhaus Trust, spoke about a number of schemes coming online in London and across the UK. There are now 1500 buildings around the country using 90% less energy. He spoke about the associated costs and incentives. Presently public authorities and social housing providers tend to be the main clients. The Scottish School Trust incentivises Passivhaus. With every iteration of Passivhaus schools the construction costs have reduced, depending on size, with improvements in learning and the supply chain. The first generation of schools tends to be 15% higher to construct, the second generation 10-12% higher and the third generation are expected to have an 8 - 4% uplift in costs.

Developers flagged up there is a general uplift in material costs of between 10-20%.

Lend Lease and other developers said there is tentative evidence of the private sector demanding Passivhaus buildings with rising awareness of the ecological emergency and energy price hikes, and if the market starts to demand Passivhaus this would significantly increase supply. A Passivhaus building will be worth more on the social housing green book, allowing more lending.

Sharing good practice in construction was discussed with several developers indicating that they already work in partnership and there was a readiness by some to open their books up to share costs and expertise in delivering low carbon.

A member commented that the planning committee has got better at challenging developers on affordable housing, so that developers now know if they meet or even exceed targets for affordable housing then permission is much more likely to be given, and this is in part because of constituents keeping raising the housing crisis with

councillors . He suggested that if members feel similarly emboldened to challenge laggard developers, none of whom are here today, then the planning committee may see a similar increase in performance on environmental standards.

Members discussed the sources of government funding available to retrofit social housing and council engagement. The GLA is running several programmes to support the retrofit of Social Housing, including the Retrofit Accelerator for the whole of the UK, funded by The Department for Business, Energy and Industrial Strategy (BEIS), delivered by Turner and Townsend, to enable council and housing providers to access the Social Housing Decarbonisation Fund. There is a related Innovation Fund, which is open to London Boroughs, however Southwark has not yet applied to be part of this.

Officer capacity to engage and the cost benefit analysis for applying for funds was discussed as an issue during the roundtable. The GLA representative, Catherine Barber, Assistant Director, Environment and Energy, made the case that participation in programmes can pave the way for the government funds that can potentially offer millions of pounds to the council and social housing retrofitting programmes.

Officers said that the council has successfully bid for Mayor of London and national funds for District Heat Networks.

There was a discussion on funding and if complexity and the changing nature of funding streams can be overwhelming, bitty, and difficult to monitor.

The G320 representative for small housing Registered Providers told the commission that they are only just getting to grips with the climate and ecological emergency and the concept of retrofitting. The scale of the financial challenge, funding gap, knowledge gap, and overcoming the bureaucratic hurdles to access funding are considerable. A typical scheme is 10 houses. Heritage requirements in conservations areas can be an obstacle.

They were advised that The Mayor of London's Social Housing Retrofit Accelerator, funded by BEIS, and is well placed to help as this programme will offer technical advice and support to social housing providers to help them bid in to government's Social Housing Decarbonisation Fund. Many small providers are often not aware of this.

Peabody, a much larger housing provider, is further on in the journey with several retrofit projects in place. They have employed a funding broker to help access funding, given the complexity.

A significant challenge for Peabody has been to engage tenants with retrofit as around 40% have refused, partly because of the disruption. They are now embarking on a co-creation approach with tenants as they want all tenants to benefit and to ideally even ask Peabody to go further.

ACAN advised there are resources available to help engage tenants in the journey including research by the Carbon Coop. They emphasised the importance of reducing demand and a 'Fabric First' approach. Air source pumps are not a silver bullet. They recommended engaging a liaison person as people need hand holding. Plymouth is a place where retrofit went well [more information here: <https://energy-cities.eu/plymouth-citizen-led-approaches-to-municipal-retrofit/>] Retrofit can deliver significant social value and engaging tenants in the outcome is important.

Jon Bootland, from the Passivhaus Trust said there are bi-annual open days for tenants to visit Passivhaus retrofit projects, so tenants can experience the comfort that can be achieved.

Architects involved in delivering retrofit, the Passivhaus Trust and the New Homes team all flagged up the importance of factoring in education, as using a retrofit or new build highly insulated house is different to a traditional home.

The cabinet member asked if it was possible to retrofit Tower Blocks and Jon Bootland, from Passivhaus Trust said it absolutely can be done and many buildings can reach Passivhaus EnerPHit standards, which is slightly relaxed standard, particularly blocks, whether horizontal or vertical.

There are other building types, such as Victorian residential street properties, and other older buildings, that because of the architecture and heritage cannot be completely retrofitted, although it is possible to make significant energy savings. He said that he did not think that Passivhaus ought to apply to all heritage buildings.

The commission heard from Fabrix, who have a specialism in retrofit of heritage buildings and repurposing offices. They pointed out that the embodied carbon of a building is huge, and even though a retrofit of an existing building may result in a lower EPC than a new build, a good retrofit can significantly reduce energy and extend the life of a building, and embodied carbon, by 40- 50 years, alongside preserving the cultural value. Around 70% of a building's lifetime carbon is contained in the fabric of the building.

The chair and commission members thanked the roundtable participants.

7. PLANNING AND ENVIRONMENT SCRUTINY REVIEW - CABINET RESPONSE

This was noted.

8. ENERGY REVIEW: SCOPE

This was noted.

9. WORK PROGRAMME

This was noted.