

<b>Item No.</b> 27.	<b>Classification:</b> Open	<b>Date:</b> 7 December 2021	<b>Meeting Name:</b> Cabinet
<b>Report title</b>		Response to Planning and Environment Review Report (July 2021) published by the Environment Scrutiny Commission	
<b>Ward(s) or groups affected:</b>		Borough wide	
<b>Cabinet Member:</b>		Councillor Helen Dennis, Climate Emergency and Sustainable Development	

## **FOREWORD – COUNCILLOR HELEN DENNIS, CABINET MEMBER FOR THE CLIMATE EMERGENCY AND SUSTAINABLE DEVELOPMENT**

I want to thank the Environment Scrutiny Commission for this incredibly timely piece of work on planning and the environment. The Commission’s report has dovetailed with the process for adoption of the Southwark Plan 2022, and its associated commitments on energy, sustainability, biodiversity and more. Our stretching targets for on-site reduction of carbon emissions, for both residential and non-residential developments in Southwark, will be a significant driver of energy efficient, low-carbon buildings, a key priority outlined in our Climate Change Strategy and Action Plan. To take account of our local Climate Emergency declaration, and our ambition to be a carbon neutral borough by 2030, we will also be undertaking an Early Review of the Southwark Plan, beginning with a consideration of our energy and sustainability policies. The report of the Commission will support this review and our work to ensure that the performance of buildings is monitored. I’m delighted that we were able to agree details of the Green Buildings Fund, comprised of carbon offset payments, at October’s Cabinet meeting, with a decision to target that money where it can make the most difference in reducing carbon emissions, focusing initially on our community assets. The work we are also undertaking to establish a local carbon offset price for Southwark will be important as a mechanism for incentivising on-site reductions, and ensuring that developers pay the full cost of achieving net zero in our borough.

### **RECOMMENDATIONS**

1. That Cabinet notes the officer response to the eight recommendations made in the ‘Planning and Environment Review Report’ (July 2021) that was prepared by Southwark Council’s Environment Scrutiny Commission and heard at the September 2021 Cabinet meeting.

### **BACKGROUND INFORMATION**

2. This document sets out officer responses to the eight recommendations made in the ‘Planning and Environment Review Report’ (July 2021) that was prepared by Southwark Council’s Environment Scrutiny Commission and heard at the September 2021 Cabinet meeting.

3. The 'Planning and Environment Review Report' summarised the Commission's investigation into Southwark's built environment and made recommendations to improve the borough's planning policies in relation to climate emergency and the environment.
4. The ambitions set out in the Report align closely with the council's direction of travel in its climate change work as set out in the adopted Climate Change Strategy and Action Plan, and the emerging planning policy work that is being undertaken by the Planning Division.
5. The New Southwark Plan (NSP), our new local plan that has been prepared over the past 5+ years, will be adopted in February 2022 and it will be called the Southwark Plan 2022. The Plan is the new borough-wide planning and regeneration strategy up to 2036. Not only does it set out planning policies to guide development, but it also explains how development will be delivered and it may also inform future decisions about investment in infrastructure.
6. The Plan consists of three main areas:
  - Area visions - setting out the aspirations of the borough's distinctive neighbourhoods
  - Planning policies - informing decisions on planning applications and development proposals
  - Site allocations - potential development sites with specifications for development requirements.
7. The Inspectors have issued their Inspector's Report setting out the Main Modifications required which have been incorporated into the Southwark Plan 2022. As the Plan is at an advanced stage and the Inspectors have confirmed the Plan is sound subject to the Main Modifications, it should be afforded 'substantial' weight in decision making going forward. The recommendation to Cabinet in December 2021 and to Council Assembly in February 2022 will be that the plan is adopted in February 2022. Upon adoption, the plan will have full weight.
8. Please note that the numbering of the policies and site allocations in this report refer to the New Southwark Plan numbering. The final Southwark has been updated throughout to take account of any modifications, including new policies or amendments to the site allocations. Therefore, the final numbering in the Southwark Plan will differ from the policy and site allocation references in this report.

## **Responses to the Recommendations from the Environmental Scrutiny Commission**

### **Recommendation One**

*Ensure the NSP and associated planning documents accord with the Climate Strategy by December 2021, by having policies in place that:*

- *Meet Net Zero carbon by 2030*

- *Devise targets on embodied carbon in construction to meet net zero targets in developments*
- *Increase the number and quality of trees in the borough*
- *Support provision for food growing spaces and distribution*
- *Increase green space and green corridors across the borough*
- *Priorities air quality improvement actions that also have a carbon reduction benefit*
- *Support active travel (walking, cycling and public transport) and reduce reliance on private travel by motor vehicle*

#### Officer response

9. The New Southwark Plan has been prepared to meet the statutory national target of reaching net carbon zero by 2050. In light of the council's climate emergency declaration, an Early Review of the Plan's policies has already commenced, prior to its February 2022 adoption, to address how new development must do even more to assist in achieving a 2030 net zero carbon target while delivering our target for new homes and jobs.
10. The objective of the Early Review will be to propose new policies and amend existing policies in the New Southwark Plan so that new development can go even further to deliver climate change mitigation and adaptation. The Planning division is working with the council's Climate Change Team to ensure that it delivers the Climate Change Strategy, as the Early Review task is also defined as an 'Action-Point' in the council's adopted Climate Change Strategy (2021).
11. We will explore the creation of targets for embodied carbon in construction to meet net zero targets in new developments in the NSP Early Review. The New Southwark Plan sets out targets for operational carbon reduction onsite. Major residential development must meet 100% onsite carbon reduction for residential and 40% for non-residential. This goes just beyond the requirements in the London Plan (2021). The London Plan (2021) does not set out embodied carbon targets for new development. The GLA is currently in the process of adopting Whole Life Cycle Carbon Assessments guidance which are required for all major referable schemes, currently, to set out embodied and whole lifecycle carbon throughout the lifespan of the building. This is a monitoring exercise initially, to assess how much carbon is generated throughout the pre-planning, planning, construction and in-use stages of development, and will inform future policy requirements and the evidence base. The NSP now includes clarification on the carbon reduction targets in the plan, and the expectations for new major development. The NSP also includes additions in the Energy Hierarchy in P69 Energy to include 'Be Seen' monitoring to assess the performance gap between carbon reduction onsite that is consented and then built, and carbon offsetting as a final stage to offset any shortfall in carbon emissions. The NSP P69 Energy also includes the introduction of 'Be Seen' monitoring spreadsheet and 'Whole Lifecycle Carbon' Assessment as required by the GLA.

12. The Early Review of the New Southwark Plan will utilise this information and London Plan guidance to explore how we address and set targets for embodied and whole cycle carbon in new development in Southwark.
13. In the NSP we are already increasing the number and quality of trees in the borough. In terms of Planning, the New Southwark Plan policy 'P60 Trees' sets out a strategy to protect trees and canopy cover in the borough. This is important for carbon capture, amenity and recreation. The policy requires tree planting for new development over certain thresholds. We will work on this further in the NSP Early Review.
14. In the NSP we are already supporting provision for food growing spaces and distribution. We will continue to review this in the NSP Early Review. The New Southwark Plan's planning policy designations affords strong protection to our open spaces through the development process. The Plan encourages food growing through policy P12 'Design of Places' and strategic policy SP6 'Climate Emergency'. The delivery of green infrastructure is supported and encouraged in the New Southwark Plan. Spaces for food growing are included in the NSP definition of green infrastructure. We already protect a lot of new open spaces in the New Southwark Plan. In the NSP we are already increasing green space across the borough.
15. We will protect even more open spaces in the New Southwark Plan Early Review and review opportunities around climate adaptation, green infrastructure and allotments. A major new park for Elephant and Castle (0.8ha) is now open. New open space is planned for in 16 strategic site allocations totalling 11 hectares. This includes a 1.37ha park at Canada Water and a number of new parks in the Old Kent Road Opportunity Area. When the new open spaces are completed and open to the public, these will be designated as formal open spaces in accordance with the open space designations criteria outlined in the Plan.
16. The New Southwark Plan now sets out further targets for the delivery of new open space in the borough. NSP Policy SP1b sets out that we will deliver 111,125sqm net new open space on site allocations. We have designated 4 new BOL sites and 18 new OOS sites as part of the New Southwark Plan, creating an additional 49,435sqm of designated open space within Southwark. Additionally, 8 BOL sites, 1 OOS site and 5 MOL sites have been extended, which totals an additional 50,425sqm. A major new park for Elephant and Castle, Elephant Park (0.8ha) is now complete.
17. The NSP already sets out priorities for air quality. The New Southwark Plan sets out targets for air quality improvement for new development. The London Plan (2021) sets out in Policy SI 1 Improving air quality that all development proposals must be at least air quality neutral. Large scale development should consider how an air quality positive approach can be utilised to improve air quality. The GLA is currently consulting on Air Quality Positive Guidance. This will support the delivery of Air Quality Positive development.

18. Many of these air quality improvement requirements simultaneously reduce carbon emissions. Officers will be preparing further planning guidance to support the implementation of this policy. The Early Review of the New Southwark Plan will use the GLA guidance to review how we deliver air quality positive development and how carbon reduction requirements can achieve this.
19. The New Southwark Plan has been updated with main modifications for climate change and the environment. The NSP now highlights where climate change mitigation and adaptation are considered in the requirements for new development. In terms of climate change mitigation, amendments have been made to P68 Sustainability Standards to the heating and cooling hierarchy, and to P69 Energy to clarify how carbon reduction should be met onsite. Both of these policies will be revisited in the NSP Early Review to secure higher carbon reduction in new development through a fabric first approach and more detailed requirements for new development. In terms of climate change adaptation, main modifications have been included to P59 Biodiversity to increase biodiversity in the borough.
20. The implementation of the New Southwark Plan's specific transport policies alongside our Movement Plan and Climate Change Strategy, will strongly promote the use of public transport and support behavioural change from vehicular use to cycling and walking. Emissions from transport are a big contributor to poor air quality and high carbon consumption in Southwark. The NSP Early Review will give the opportunity to further review the Plan's transport related policies.

## **Recommendation Two**

*A completion certificate ought to be required with Building Control issuing this, coordinated with Planning, and this ought to ensure that the environmental standards set out in the planning application are met.*

### Officer response

21. The London Plan Policy SI 2 'Minimising greenhouse gas emissions' introduces a fourth stage to a development's energy hierarchy - the 'Be Seen' stage, which requires monitoring and reporting of the actual operational energy performance of major developments annually over at least five years post-construction via the GLA's 'Be Seen' monitoring portal. To assist this process, the GLA has recently adopted new 'Be Seen' monitoring Guidance in October 2021. This sets out requirements for the submission of the 'Be Seen' monitoring spreadsheet at each stage of the planning process.
22. The purpose of the 'Be Seen' monitoring guidance is to monitor the carbon reduction and efficiency of new major development in a bid to close the performance gap between consent and completion stage. Development scheme performance can be worse than the consented performance, but it also can get better if new or emerging technology is used. By monitoring the 'performance gap', we can ensure the accuracy of consented carbon reduction

onsite for new development, and explore mechanisms to close this gap, to confirm the carbon savings which have been consented.

23. Officers will work with the GLA to collect and review development performance data. The Early Review of the New Southwark Plan will offer the opportunity to prepare a local approach to tackling the performance gap both through policy and S106 processes.

### **Recommendation Three**

*Encourage all developments to contribute to the development of Decentralised Energy (DE) networks, including by connecting to them where there is one in proximity to the development, alongside mandatory requirements for significant developments.*

#### Officer response

24. The NSP already sets out requirements for new development, where appropriate, to utilise Decentralised Energy. Where applicable, officers are currently securing the requirement to connect to existing or emerging District Heat Networks (DHNs) through s106 legal agreements and negotiating the design of basements to enable this. This requirement is set out in London Plan (2021) Policy SI 3 'Energy infrastructure' which requires that major development in London Heat Network priority areas or in proximity to existing or planned District Heat Networks (DHNs) should futureproof a connection to a DHN.
25. The New Southwark Plan in policy P69 'Energy' sets out a hierarchy for connection to decentralised energy and District Heat Networks where connection is feasible either presently or in the future. The NSP Early Review of the New Southwark Plan will reassess this hierarchy as part of the council's approach to decentralised and communal energy provision.
26. The Old Kent Road Area Action Plan (OKR AAP) in policy OKR3 'Climate Emergency' sets out requirements for development in the opportunity area to connect to the South-East Combined Heat and Power (SELCHP), with energy from waste as the heat source.

### **Recommendation Four**

*Establish a policy and agreed process for allocating the Carbon Offset Fund to projects at pace, and in line with the Carbon Emergency, and by December 2021 at the latest.*

#### Officer response

27. A report was considered by Cabinet in October 2021 where it agreed the governance and management process of the council's carbon offset fund, the 'Green Buildings Fund'. The Fund is a consolidated collection of financial contributions secured through s106 agreements, where new development has not achieved net carbon zero onsite and an offsetting payment has been

collected by the council to make up the shortfall to net zero. Carbon offsetting projects will then be funded in accordance with the council's Climate Change Strategy and Action Plan, with the initial focus of offsetting projects being decarbonisation and retrofitting of community buildings, schools and council housing.

28. While work is ongoing to finalise the funding criteria for council and community carbon offsetting projects, the first number of offsetting projects are being scoped out or are being prepared for funding. The first formal call for offsetting projects for the Fund will commence early next year, once administration processes have been finalised and resourced.
29. Funded projects must aim to meet the carbon offset ratio target of 1:1 where possible. This will ensure the shortfall in carbon emissions from new development is offset.
30. Officers will also be seeking other sources of co-funding and review options for a new local carbon offset price in parallel to the New Southwark Plan Early Review, to encourage greater onsite carbon reduction performance and ensure the carbon offset price fully covers offsetting costs.

### **Recommendation Five**

*Planning adopt the Energy Hierarchy (retain, refurbish, reuse/ reclaim, remanufacture, recycle) in the New Southwark Plan for both development and our own council house building programme.*

#### Officer response

31. London Plan Policy SI 7' Reducing waste and supporting the circular economy' requires major referable schemes within the borough to utilise the circular economy principles through the design and construction of a proposal and submit a Circular Economy Statement with the planning application that illustrates how they do this. The New Southwark Plan Policy P61 Reducing Waste sets out how new development should reduce waste in the construction process in line with the Waste Hierarchy and in operation through provision of recycling and composting, and aligns with the London Plan (2021).
32. The addition of the Circular Economy Statement requirement for major referable development from the London Plan was consulted on as a main modification for P61 Reducing Waste. This ensures that circular economy principles are considered in major referable development.
33. The New Southwark Plan Early Review will assess the extension of these thresholds for Circular Economy Statements for policy requirements to include more development types, potentially including development on smaller sites. The NSP Early Review will also look at guidance for the retention and re-use of existing buildings, where appropriate, and how we can address embodied carbon.

34. In terms of the energy hierarchies, the New Southwark Plan in policy P69 Energy includes an energy hierarchy that is consistent with the London Plan (2021) in Policy SI 2 Minimising Carbon Emissions:
- Be Lean in reference to using less energy;
  - Be Clean using better energy sources and being more efficiency with energy;
  - Be Green utilising renewable energy; and
  - Be Seen which refers to monitoring, in order to reduce carbon.

### **Recommendation Six**

*That greater scope is given in NSP site descriptions to the re-use of existing buildings and that support is given to retention, refurbishing and repurposing of existing buildings and increasing the density of development on the site without a default to demolition of all existing buildings.*

#### Officer response

35. The NSP already sets this out. The New Southwark Plan's site allocations identify buildings of townscape merit and buildings of architectural or historic interest buildings and sets out requirements for any retention or re-use alongside indicative site capacities for new homes and land uses. The Early Review of the New Southwark Plan will re-examine site allocation guidance where appropriate, and explore opportunities to address whole lifecycle carbon emissions.
36. The recently adopted Heritage SPD sets out planning guidance on the retrofitting of heritage assets. This includes the retention and re-use of existing buildings.

### **Recommendation Seven**

*Develop the public realm to enable active travel and support the local economy including cycle routes, walking routes and pedestrianisation, through amendments to planning policies.*

#### Officer response

37. Alongside the council's Movement Plan and Climate Change Strategy, the New Southwark Plan includes strong policies that will promote walking and cycling, economically successful mixed-use town centres, and car free development. The Planning division will continue to work alongside colleagues in our Highways and Local Economy teams and wider transport and community stakeholders (TfL, BIDs, etc) to deliver transformational public realm projects. The NSP Early Review will enable the review of the transport related policies in terms of further climate change mitigation and climate change adaptation

## Recommendation Eight

*Use a matrix to promote a mix of amenity provision in local neighbourhoods, and judge the capacity of schemes to contribute to a strong local economy, and increases to social and natural capital.*

### Officer response

38. The Early Review of the New Southwark Plan will be considering options for a new localised approach for the Urban Greening Factor which sets targets for the provision of new open spaces on development sites. The Early Review will also provide an opportunity to update NSP policy P59 'Biodiversity' that requires biodiversity net gain, as emerging London-wide planning guidance and national guidance becomes available.
39. P59 Biodiversity includes main modifications which set out requirements for biodiversity net gain and any shortfall to be secured off site through planning obligations. The NSP Early Review will revisit this as an approach to assess its effectiveness and ensure it is delivering the desired outcomes.
40. The NSP also protects new open space and encourages the delivery of more green infrastructure to improve the quality of the local environment, provide more amenity space for local residents and adapt to climate change.
41. Delivering economic growth is a key objective of the New Southwark Plan with ambitious targets for building new homes and creating new green jobs. The plan sets out targets to deliver a green and inclusive local economy, including affordable workspace delivery, jobs, mix of uses in town centres, and protects designated shopping frontages. The details of the economic impacts (jobs, business opportunities, workspace) of a major development are submitted with a planning application and this information is reported in the officer and committee planning reports. The NSP commits to at least 1,000 new green jobs through the Southwark Green New Deal. The council now has a higher target of 5,000 new green jobs in the climate strategy and action plan (2021).
42. The Plan has a number of policies that promote diverse amenity provision in town centres. This is supported by area visions and site allocations which set requirements for the provision of amenities across the borough.
43. With regards to movement, the NSP sets out policies to encourage a shift towards prioritising public transport and walking and cycling over private vehicles. This has benefits for the health of local residents, air quality and carbon reduction.
44. The new Developer Consultation Charter sets out how our community can expect to be consulted by developers through the three stages of the planning application process. It forms part of the Statement of Community Involvement and will require developers to submit a 'Statement of Social Value' with their planning application. A Social Value Statement will:

- describe the economic, social and environmental impacts of the development
- how the development will contribute to the long-term wellbeing and resilience of existing and future residents and businesses and
- take into account feedback gathered from the community before the submission of the planning application.

### Equalities implications

45. In everything we do as a council, we seek to promote equality. The implementation of the New Southwark Plan will have a positive impact for all, including those with protected characteristics as it will reduce existing carbon emissions by funding offsetting projects across the borough. The NSP is supported by an Equalities Impact Assessment which identifies the potential positive, negative or neutral impacts on those with protected characteristics, of each policy, including Strategic Policy SP6 Climate Emergency.

### Climate change implications

46. The Net Zero Carbon target for this Plan as set out in the Climate Change Act (2008). The Council has declared a Climate Emergency with the ambition to reach carbon neutrality by 2030. This Plan is a stepping stone towards meeting this 2030 carbon neutrality target. There is a climate change thread running throughout the Plan to mitigate against and adapt to address climate change. The Southwark Plan 2022 requires the reduction of emissions onsite by 100% on 2013 Building Regulations for major residential developments, and 40% for major non-residential. There will be an early review of the Plan to set out greater requirements for climate change mitigation and adaptation, including on site carbon reduction performance targets for small sites, exploration of embodied and whole lifecycle carbon, review of the heating and cooling and heat and energy sources onsite and reuse and retrofitting. The implementation of this Plan to deliver greater carbon reductions will be supported by upskilling officers and provision of guidance to deliver more sustainable development.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Cabinet agenda 14 September 2021	160 Tooley Street London SE1 2QH	<a href="mailto:Paula.thornton@southwark.gov.uk">Paula.thornton@southwark.gov.uk</a>
<p><b>Link: (please copy and paste into browser):</b>  <a href="https://moderngov.southwark.gov.uk/documents/s101275/Appendix%20A%20Planning%20and%20environment%20review%20report.pdf">https://moderngov.southwark.gov.uk/documents/s101275/Appendix%20A%20Planning%20and%20environment%20review%20report.pdf</a></p>		

## APPENDICES

No.	Title
None	

## AUDIT TRAIL

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