

NOTICE OF MOTION:

REDUCING CLIMATE CHANGE EMISSIONS FROM NEW-BUILD HOMES BY IMPROVING THEIR MINIMUM ENERGY EFFICIENCY STANDARD

To be proposed by Cllr Hamilton-Cox and seconded by Cllr Jackson, Cllr Barry and Cllr Frea.

“This Council notes:

- The Government announcement in July 2018 that Council could set their own energy efficiency standards for new buildings beyond those set in Part L of the Building Regulations;
- The October 2018 report from the Intergovernmental Panel on Climate Change (IPCC) highlighting that we only have around 12 years to reduce climate change emissions in order to limit global warming to 1.5 C. degrees above pre-industrial levels, for the reasons set out in the IPCC's report;
- That local authorities are best placed to take a lead on, and implement, many of the measures needed to reduce climate change emissions.

This Council believes:

- That one such measure is to improve the energy efficiency standards in new buildings, not only to reduce carbon emissions, but also to keep money that would otherwise go to energy companies circulating in our local economy;
- That improving energy efficiency in new buildings is just one part of a strategy to reduce emissions in our district but is an important step to take that should be part of a wider strategy to be set out in a further motion in December following cross-party discussion.

This Council resolves:

- To instate Level 4 of the Sustainable Homes Code as the minimum standard on all new homes and include this direction in the draft Local Plan;
- To require a Passivhaus standard, as exemplified by the Lancaster Co-housing development in Halton, for all new homes built on council-owned land (following the lead of councils in Norwich and Cambridge, which have mandated higher standards of sustainability for homes on council-owned land);
- To expand the range of housing specified in the Canal Quarter section of the draft Local Plan to include social and affordable homes and that these homes match the Passivhaus standard at Halton.

OFFICER BRIEFING NOTE

Background

The global context of the Motion is relevant, given the Intergovernmental Panel on Climate Change's report last month (which is referenced in the Motion). The report has a stark message in that the consequences of global warming are already visible, and that every additional rise in warming matters, given that it will increase the risk associated with long-lasting or irreversible changes, such as the loss of eco-systems.

Limiting global warming to 1.5°C above pre-industrial levels will require rapid and far-reaching transitions in land, energy, industry, buildings, transport and cities that go beyond district boundaries. However, our own contribution at a district level (collectively and individually) remains a vital part of the national response. At this level, as the Co-Chair of the IPCC Working Group Debra Roberts said, the report will help policymakers and practitioners to *"...make decisions that tackle climate change while considering local context and people's needs"*.

The First Resolution

The first resolution requires Level 4 of the Code for Sustainable Homes to be the new minimum standard for all new housing, and to require this within the draft Local Plan.

The Code for Sustainable Homes is a method for certifying the sustainable design and construction of new homes by assessing different criteria. The code was mandatory if it were a requirement of a district's Local Plan, or where it involved affordable housing that was funded by the (then) Homes and Communities Agency.

As part of a wider planning, economic and environmental statement issued in March 2015, the Coalition Government advised the following in respect of Local Plan preparation:

*"From the date the Deregulation Bill 2015 is given Royal Assent, local planning authorities and qualifying bodies preparing neighbourhood plans should **not** set in their emerging Local Plans, neighbourhood plans, or supplementary planning documents, any additional local technical standards or requirements relating to the construction, internal layout or performance of new dwellings. This includes any policy requiring any level of the Code for Sustainable Homes to be achieved by new development; the government has now withdrawn the code, aside from the management of legacy cases".*

The Deregulation Act received Royal Assent on 26 March 2015. It was at this time that Councils were also advised that they could no longer insist on requiring Code Level 3, 4, 5 or 6 via planning conditions imposed on planning permissions.

Leaving aside the Code for Sustainable Homes, the specific issue of energy performance was set out in the Planning and Energy Act 2008. This advised that local planning authorities could continue to set and apply policies within their Local Plans which required compliance with energy performance standards that exceeded the energy requirements of the Building Regulations (which were broadly equivalent to Code Level 4) until amendments to the Planning and Energy Act 2008 have been commenced via the Deregulation Bill.

The complex national legislative framework regarding energy performance was perhaps best exemplified by the recent Government consultation regarding the revised National Planning Policy Framework (NPPF). During the consultation, the Government noted the following:

“A number of local authority respondents stated the view that the text in the revised NPPF restricted their ability to require energy efficiency standards above Building Regulations. To clarify, the (revised) NPPF does not prevent local authorities from using their existing powers under the Planning and Energy Act 2008 or other legislation where applicable to set higher ambition. In particular, local authorities are not restricted in their ability to require energy efficiency standards above Building Regulations”.

Given this new clarity, matters turn to the draft Local Plan. As Members will recall, the Council made a decision to formally publish and submit its Local Plan to the Government for Examination late last year, and the Local Plan documents were formally submitted on 15 May 2018. The Examination is scheduled to commence on 8 January 2019.

The Inspector will have only three options, namely:

- Finding the Local Plan – as submitted – to be sound;
- Finding the Local Plan – as submitted – to be unsound; or,
- Finding that the Local Plan – as submitted but with modifications – can meet the legal requirements and the criteria for soundness set out in the National Planning Policy Framework

The latter is the most common outcome. However the submitted draft Local Plan policy cannot simply be amended in form at this stage by either Inspector or Council.

The Local Plan is prepared having been informed by a wide range of evidence. Turning to the issue of scheme viability, updates regarding viability evidence were presented to the Planning Policy Cabinet Liaison Group (28 November 2017, 7 February 2018 and 27 March 2018). This included updates on the Viability Assessment work undertaken by the Council’s consultants, Lambert Smith Hampton. The scope of the Viability Assessment tested a number of scenarios, including the impact of including the nationally-described spaces standards and accessibility standards. The study did not include raising the standards for all new homes to Code Level 4. This additional requirement can be significant in terms of development costs and would require separate viability testing outside the draft Local Plan process. Officers will continue to keep up-to-date with development costs and are prepared for any early review of its’ Local Plan to take account of this evolving agenda.

The Second Resolution

Passivhaus is a term that is used in the housing industry regarding the air quality and comfort of properties. The Passivhaus Standard derives from the Passivhaus Institute and is defined as *“A building in which thermal comfort can be achieved solely by post-heating or post-cooling the air flow required for a good indoor air quality, without the need for additional recirculation of air”*. In other words, Passivhaus can achieve significant reductions in heating and cooling requirements compared to standard practice, thus helping to reduce carbon emissions.

The Council is of course entitled to pursue higher standards of housing for all new homes built on Council-owned land. However it should have evidence to prove that this will not make the delivery of housing unviable. This is particularly relevant in the context of delivering new council housing on land that the Council owns.

Without evidence regarding viability, making a commitment to deliver Passivhaus standard on all of its’ own land may be premature via the current Motion. Instead, it is suggested that Officers can undertake work to assess the associated costs of achieving higher standards regarding

development on its' own land, and what the impact this is likely to have upon the rents that may be set. This will then provide Members with the opportunity to debate its priorities (i.e. whether it is important to set rents as low as possible to make housing more affordable, or to aim for higher standards that would impact upon higher rents).

The Third Resolution

This resolution again requires amendment to a policy within the submitted draft Local Plan, which at this stage of the Plan Examination process cannot be formally edited. However, as reported at the previous meeting of Council, Officers have prepared draft suggested modifications to assist the Inspector in considering the soundness of the submitted plan. This includes draft suggested modifications to Local Plan Policy SG5 to take account of the Council's own resolution, which followed the decision to submit the plan, to prepare a new development brief for the Canal Quarter.

The draft suggested modification to Local Plan Policy SG5 (of the Strategic Policies and Land Allocations Development Plan Document) acknowledges that the Canal Quarter must involve a positive mixture of uses including residential. The draft suggested policy wording did not explicitly reference social and affordable housing, referring in the draft suggested modifications to student and market housing. However it had not been the intention to preclude social and affordable housing, as can be evidenced by other Policy requirements within the suite of Local Plan Documents, most notably Policy DM3 (The Delivery of Affordable Housing). However, to avoid any unintended inference, the draft suggested modification has been amended to specifically additionally reference "affordable housing" as an element of a potential residential component to be explored during the preparation of a site-specific Supplementary Planning Document (SPD). This will be developed via a comprehensive public engagement and consultation strategy in 2019. At this stage, more will be known regarding development viability and the likely mix of uses across the wider site.

For further clarity, Policy DM3 states that *"other than in the most exceptional circumstances, or for schemes within the West End Masterplan and Morecambe Area Action Plan boundaries, new housing development must contribute towards the provision of affordable housing..."* (And also meet location-specific thresholds). In the case of previously-developed urban sites like Canal Quarter, the affordable housing target would be a minimum of 30% affordable units for schemes of 15+ units and a minimum of 20% for schemes of fewer than 15 units.

MONITORING OFFICER COMMENTS

The Monitoring Officer has been consulted and has no further comments.

SECTION 151 OFFICER COMMENTS

The Section 151 Officer has been consulted and has no further comments.