

Committee(s):	Date(s):
Planning & Transportation	10 June 2014
Subject: Minor Alterations to approved City of London Planning Obligations Supplementary Planning Document	Public
Report of: Director of the Built Environment	For Decision
Summary	
<p>This report proposes minor alterations to the approved City of London Planning Obligations Supplementary Planning Document, which was approved by the Planning & Transportation Committee on 8th April 2014 for implementation from 1st July 2014.</p> <p>The London Plan 2011 requires developers to achieve improvements in the carbon performance of their buildings of 40% over the standards set in 2010 Building Regulations. Where this is not feasible on-site, developers may off-set their carbon emissions through a financial payment, based on a defined cost per tonne of carbon. The Planning Obligations SPD makes provision for this financial payment, requiring contributions at a rate of £46 per tonne of carbon to be off-set.</p> <p>Since the SPD was approved, the Mayor has published new Sustainable Design and Construction Supplementary Planning Guidance and new 2013 Building Regulations have come into effect. The Mayor now requires developers to achieve a reduction in carbon of 35% beyond the 2013 Building Regulations and has set the price of carbon at £60 per tonne. These changes need to be reflected in the City's SPD to provide consistent guidance to the development industry.</p>	
Recommendation(s)	
<p>Members are recommended to agree the proposed minor alterations to the City of London Planning Obligations Supplementary Planning Document, set out in Appendix 1 to this report, to bring the SPD into line with revised national Building Regulations and updated Mayoral supplementary planning guidance.</p>	

Main Report

Background

1. On 8th April 2014, the Planning & Transportation Committee approved the s106 Planning Obligations Supplementary Planning Document (SPD) to be implemented alongside the City of London Community Infrastructure Levy, from 1st July 2014.
2. Paragraphs 50 to 56 of the SPD, deal with the principle of carbon offsetting. In line with Policy 5.2 of the 2011 London Plan, the SPD requires developers to deliver an improvement in carbon emissions of 40% over the requirements of the 2010 Building Regulations. Where developers cannot deliver this 40%

improvement on site, the London Plan requires them to provide a financial payment towards carbon off-setting measures elsewhere. At the time the City's SPD was prepared and consulted upon, advice from the Mayor in his draft Sustainable Design and Construction Supplementary Planning Guidance (SPG) indicated this contribution should be at a rate of £46 per tonne of carbon to be off-set.

3. The figure of £46 is included within the City's SPD but, in recognition that costs and guidance might change over time, the SPD indicates (paragraph 53) that "it will be periodically updated in line with amendments published by the Mayor or the Zero Carbon Hub. These updates will be published on the City Corporation's website."

Current Position

4. In late April 2014, the Mayor published his finalised Sustainable Design and Construction SPG and new 2013 Building Regulations came into effect from 1st April 2014. Both of these require alterations to be made to the City's SPD to ensure that it reflects current national and regional regulation and guidance.
5. There are 2 specific areas of change that need to be incorporated into the City's SPD:
 - a. 2013 Building Regulations include improvements in carbon emission standards. The Mayor has assessed the impact of these new standards upon London Plan policy and concluded that a 35% improvement in carbon emissions over the new 2013 Regulations would be broadly equivalent to the 40% improvement over 2010 Regulations set out in the London Plan. From 6th July 2014 the Mayor therefore intends to assess the carbon performance of development against this new 35% target and the 2013 Building Regulations.
 - b. The Mayor's new Sustainable Design and Construction SPG advises that the price of carbon to be used in calculating off-site financial contributions should now be set at £60 per tonne, rather than the previous £46 per tonne.

Options

6. The London Plan and the Mayor's SPG are part of the development plan for the City of London, alongside the City's own Local Plan and supplementary planning documents. Where there is conflict between the provisions of different plans, s38(5) of the Planning & Compulsory Purchase Act 2004 requires planning applications to be determined in accordance with the most recently adopted policy, in this case the Mayor's SPG.
7. New development will, in any event, need to be assessed against the 2013 Building Regulations, rather than the previous 2010 Regulations.
8. Part of the City's SPD, whilst only recently adopted, has therefore been superseded by new guidance and regulation on carbon off-setting. As the SPD will not come into effect until 1st July 2014, there is an opportunity to update it to ensure that it incorporates this new strategic guidance and national regulation and avoids potential confusion as to the approach to carbon off-setting being applied in the City.

Proposals

9. It is proposed to amend the approved City of London Planning Obligations SPD, in line with guidance in the Mayor's Sustainable Design and Construction SPG, to:
 - a. Replace the target for carbon emission improvement from 40% over the 2010 Building Regulations to 35% over the 2013 Building Regulations.
 - b. Amend the cost of carbon to be offset from £46 per tonne to £60 per tonne.
10. Proposed amendments to the SPD are attached at Appendix 1, with new text identified as bold underline and deleted text as bold strikethrough.
11. The potential for change to the cost of carbon has already been anticipated in paragraph 53 of the Planning Obligations SPD and provision made for updates from time to time. This paragraph was considered during public consultation on the SPD and no objections were received. There is no statutory requirement to consult on the proposed update, and there is a statutory requirement to avoid conflict with the Mayor's new SPG, therefore no further consultation has been carried out in respect of the recommended update. This is considered consistent with the proportionate approach to consultation advocated in the City of London Statement of Community Involvement.

Corporate & Strategic Implications

12. The proposed changes would bring the City's Planning Obligations SPD into conformity with national regulation and updated guidance from the Mayor.
13. The change in target to refer to the 2013 Building Regulations should be cost neutral for developers as it has been deemed by the Mayor to be broadly equivalent to the existing target based on the 2010 Regulations.
14. The increase in the cost of carbon to be off-set would represent an increased cost to developers. However, it is a cost that they will be required to meet under the Mayor's SPG and then only if they cannot achieve the required carbon reductions on-site. The impact of the £14 per tonne increase is likely to be minimal compared with the overall development costs in the City but, the Planning Obligations SPD does allow developers to submit evidence of the impact of financial contributions on scheme viability, with the potential to reduce contributions where there is an adverse impact.

Conclusion

15. The Planning Obligations Supplementary Planning Document was approved by Planning & Transportation Committee on 8th April 2014 for implementation from 1st July 2014. Since approval, the Mayor has published his new Sustainable Design and Construction SPG and new, 2013, Building Regulations have come into effect. These require minor alterations to be made to the carbon improvement target and cost of carbon to be off-set in the City's SPD. The potential for future changes to this element of the SPD was anticipated and provision included in the SPD for further minor changes to be

made through the City Corporation's website. As the SPD has not yet come into effect, it is proposed to formally amend the agreed text of the SPD to avoid potential confusion for the development industry.

Appendices

- Appendix 1 – Proposed amendments to the Planning Obligations Supplementary Planning Document

Background Papers:

Report to Planning & Transportation Committee, 8th April 2014, Planning Obligations Supplementary Planning Document – Adoption and Implementation

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