Committee(s)	Dated:
Local Plans Sub (Planning and Transportation) Committee	27/04/2023
Subject: City Plan 2040 – retrofit first policy	**Public**
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	**1,2,4,7,9,11,12**
Does this proposal require extra revenue and/or capital spending?	**No**
If so, how much?	**N/A**
What is the source of Funding?	**N/A**
Has this Funding Source been agreed with the Chamberlain's Department?	**N/A**
Report of: Gwyn Richards, Planning & Development Director, Environment Department	**For discussion**
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Summary

A key objective of the draft City Plan is to ensure that the Square Mile transitions to a zero carbon city by 2040. Since the Plan was drafted, the way whole lifecycle carbon (WLC) of development is measured and assessed through the planning system has evolved significantly (including through strategic planning policy and guidance, and the production of the City Corporation's Carbon Options Guidance) and increased importance has been given to encouraging the retrofit of existing buildings. This report sets out how policies in the City Plan could be updated to reflect these changes.

Recommendation(s)

Members are asked to:

- Advise on the proposed policy directions in relation to the proposed 'retrofit first' policy approach and amendments to the spatial strategy for the draft City Plan.

Main Report

Background

1. The built environment is a major contributor to carbon emissions, both through operational emissions (energy consumption, including heating, cooling, and power) and embodied emissions (the carbon that goes into the production of building materials, and their construction and maintenance). The term 'whole lifecycle carbon' (WLC) captures both operational and embodied carbon over the

life cycle of the building (including any demolition and disposal). Policies SI 2 and SI 7 of the London Plan and related London Plan Guidance “Whole Life-Cycle Carbon Assessments” and “Circular Economy Statements” (March 2022) establish strategic policy and guidance. The guidance advises that re-use/retrofit be prioritised over redevelopment. The City Plan is required to be in general conformity with the London Plan.

2. In recent years, there has been increasing awareness of the need to consider the WLC of new development when assessing the sustainability of a scheme, and in particular to address embodied emissions. As the energy efficiency of buildings improves, and the electricity grid and heating and cooling systems decarbonise, embodied emissions over time become a greater proportion of the whole lifecycle carbon of buildings.

3. The draft City Plan includes objectives to promote a zero carbon city by 2014. Pending adoption of the City Plan and as an intermediate response to evolving strategic policy and guidance, the City Corporation developed the Carbon Options Guidance (COG) planning advice note (adopted by the Planning and Transportation Committee in March 2023.) Through this work, the City Corporation have been at the forefront of seeking to explore different options for sites, with the aim of ensuring options that include retrofit, retention and refurbishment are considered alongside proposals for redevelopment, and using this process to find optimal approaches that take likely carbon impacts for different options into account, as well as exploring wider sustainability issues and other planning aspects of schemes as they progress.

4. This approach, developed through practice and collaborative working, is an innovative one in two key aspects. Firstly, the methodology in the COG moves away from consideration of a single development option for a site, which has traditionally been the approach of the planning system. Secondly, the COG sets out a clear methodology that enables the carbon intensity of different schemes to be compared at an early stage in the design process, rather than having to wait for comprehensive design development work that comes at later stages.

5. The draft City Plan 2040 currently requires proposals for major development to demonstrate that London Plan targets for carbon emissions have been met on site as a minimum, and that they retain embodied carbon within building structures where feasible. The Plan encourages the use of circular economy design approaches, and requires minimum BREEAM ‘excellent’, aiming for ‘outstanding’.

6. To ensure the City Plan is in general conformity with strategic policy and is developed within the principles of sustainable development, and to complement the work on the COG and its implementation, there is the opportunity to expand on this policy to reflect best practice, embedding a ‘retrofit first’ approach into the new City Plan and incentivising retention of existing buildings through a ‘retrofit fast track’.

Spatial Strategy

7. As part of the vision set out in the Plan to shape outstanding environments, the draft City Plan includes an aim that:

    - "The City's buildings, public realm and transport will be highly sustainable, designed to make efficient use of natural resources, minimise emissions and be resilient to natural and man-made threats. In partnership with public and private sector organisations the City will adopt new technologies to transition to a zero emission City by 2040, in line with the ambitions set out in the City Corporation's Climate Action Strategy."

8. The first point of the draft Spatial Strategy for the Plan sets out an aim of:

    - "Ensuring that the City is sustainable and transitions to a zero carbon and zero emission City by 2040, delivering further urban greening and improving air quality".

9. Paragraph 3.5.1 of the Plan explains that:

    - "To deliver the City Corporation's Vision and Strategic Objectives, a balance needs to be struck between the competing demands for further commercial and office growth, the rapidly growing workforce, the growing cultural and visitor economies and the needs and expectations of the City's permanent residential population. An overarching imperative is to ensure that the City of London transitions to a zero carbon and zero emission City, improving air quality and delivering additional greening to the City's buildings and spaces" (emphasis added.)

10. These parts of the Plan's spatial strategy could be amended to specifically recognise the importance of the whole lifecycle carbon of new development and the need to promote the retrofit and refurbishment of existing buildings. This approach would reflect the aims of the City Corporation in promoting sustainable development, in line with the Climate Action Strategy, and would allow for greater weight to be applied to the retention of existing buildings and structures in decision-making.

Considering carbon options and taking a 'retrofit first' approach

11. Strategic policy S8 (Design) states that design solutions should make effective use of limited land and contribute towards well-being and a greener, zero emission City, through development which (amongst other requirements):

    - "Delivers world class sustainable buildings which are mixed-use, adaptable, adopt circular economy principles and contribute towards a zero emission, zero carbon and climate resilient City."

12. Supporting text at paragraph 6.1.5 states that "To create a zero-emission, sustainable City, development must be designed to minimise environmental impacts and be resilient to climate change throughout its lifecycle."

13. Policy DE1 (Sustainability Standards) states that “proposals for major development will be required to demonstrate that London Plan carbon emission and air quality requirements have been met on site, retaining embodied carbon within building structures where feasible.”

14. Policy CE1 (Zero Waste City) of the draft City Plan states that development should be designed to promote circular economy principles throughout the lifecycle of the building through (amongst other things) “re-use and refurbishment of existing buildings, structure and materials to reduce reliance on virgin resources and retain embodied carbon.”

15. An addition could be made to the overarching strategic policy on design (S8), setting out that design solutions should take a ‘retrofit first’ approach by giving great importance to the re-use and refurbishment of existing buildings, structure and materials. This would complement the proposed changes to the draft City Plan’s spatial strategy. Supporting text could also be updated to reflect and explain this approach, setting out the importance of retrofitting existing buildings, retaining embodied carbon and minimising WLC emissions. Relevant parts of policy CE1 (Zero Waste City) could be brought into the design section of the City Plan, to reflect that these have a direct impact on the design of development and are not primarily concerned with the operation and management of waste.

16. It is proposed that an additional clause is added to Policy DE1 (Sustainability Standards), setting out how different options for a site should be explored. This could require all proposals for major development (over 1,000 sqm additional floorspace or 10 or more dwellings) to:

    - demonstrate that multiple options have been considered for the site (including one or more options that would substantially retain existing structures in situ);
    - demonstrate that WLC impacts have been calculated in line with the Carbon Options Guidance PAN; and
    - Seek to minimise the WLC impacts for each option and the proposed scheme.

17. These changes would reflect strategic policy, respond to the aims of the Corporation’s Climate Action Strategy and reflect best practice in sustainable design approaches to development.

Financial implications

18. None.

Staff Resource implications

19. Preparation of the revised pre-submission Regulation 19 City Plan is being carried out in-house by the Development Plans Team, working alongside and supported by Development and Design colleagues in the planning service and by other services as appropriate.

Legal implications

20. There are no specific legal requirements, other than the ongoing requirement to ensure that all relevant statutory processes are complied with during production of the City Plan.

Equalities implications

21. Preparation of the City Plan has been informed by an Integrated Impact Assessment which incorporates an Equality Assessment. Any material changes to the Plan will be subject to further Equality Assessment.

Risk implications

22. The December 2021 report to the Grand Committee identified the risks associating with preparing a revised pre-submission Regulation 19 City Plan as compared to submitting the current version for examination. The Grand Committee agreed to revise the City Plan and officers will continue to monitor and report back on any changes to the risk assessment as the project progresses.

Climate implications

23. The City Plan is one of the key mechanisms for achieving those targets in the Climate Action Strategy which relate to the Square Mile rather than the City Corporation's own operations, in particular the net zero target for the Square Mile by 2040. The inclusion of policies that seek to prioritise and incentivise the retention of existing buildings, as set out in this report, will further strengthen alignment with the Climate Action Strategy.

Security implications

24. There are no direct security implications.

Conclusion

25. This report sets out potential policy amendments for taking a 'retrofit first' approach in considering options for sites. Officers recommend that changes are made to the overall spatial strategy for the City Plan, as well as design and sustainability policies, to give greater emphasis to the retrofit of existing buildings and require the exploration of different options for a site, informed by carbon considerations. These changes would give greater importance to the retention of existing structures in proposed development.

Background Papers

- None

Appendices

- None

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