

READING BOROUGH COUNCIL

REPORT BY EXECUTIVE DIRECTOR OF ECONOMIC GROWTH AND
NEIGHBOURHOOD SERVICES

TO:	POLICY COMMITTEE		
DATE:	16 DECEMBER 2019		
TITLE:	ADOPTION OF THE SUSTAINABLE DESIGN AND CONSTRUCTION SUPPLEMENTARY PLANNING DOCUMENT		
LEAD COUNCILLOR:	COUNCILLOR PAGE	PORTFOLIO:	STRATEGIC ENVIRONMENT, PLANNING AND TRANSPORT
SERVICE:	PLANNING	WARDS:	ALL
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1. EXECUTIVE SUMMARY

- 1.1 This report relates to the proposed adoption of the Sustainable Design and Construction Supplementary Planning Document (SPD), for use in determining planning applications for new development in Reading. The SPD provides detailed guidance to accompany the new, ambitious sustainability policies in the Reading Borough Local Plan, which was adopted on 4th November. In doing so, it will provide an essential part of the Council's response to the Climate Emergency.
- 1.2 A Draft Sustainable Design and Construction SPD was approved for consultation by Strategic Environment, Planning and Transport Committee on 9th July 2019 (Minute 10 refers). Consultation took place between July and September 2019, and a total of 18 responses were received. A Statement of Consultation summarising the process and the responses is included as Appendix 2.
- 1.3 A revised version of the SPD has now been prepared, taking account of the responses received. This is included as Appendix 3. Committee is recommended to formally adopt this as part of the Council's planning policy for determining planning applications.
- 1.4 Committee is also requested to approve the initial proposals for how funds raised through contributions from development towards carbon offsetting would be managed and spent.
- 1.5 Appendices:
Appendix 1: Equality Impact Assessment scoping
Appendix 2: Statement of Consultation on the Draft Sustainable Design and Construction SPD
Appendix 3: Sustainable Design and Construction SPD

2. RECOMMENDED ACTION

- 2.1 That the results of the consultation on the Draft Sustainable Design and Construction Supplementary Planning Document, undertaken between December 2018 and February 2019, as set out in the Consultation Statement at Appendix 2, be noted.
- 2.2 That the Sustainable Design and Construction SPD (Appendix 3) be adopted as a Supplementary Planning Document.
- 2.3 That the initial proposals for the use of funds towards carbon off setting secured under Policy H5 of the Local Plan as supplemented by the Sustainable Design and Construction SPD be noted.

3. POLICY CONTEXT

- 3.1 Reading Borough Council declared a Climate Emergency at Council on 26th February 2019, and set out its commitment to work towards achieving a carbon neutral Reading by 2030. In order to achieve these aims it will be essential to make sure that new development minimises its carbon emissions and is as sustainable as possible.
- 3.2 The Reading Borough Local Plan was adopted at Council on 4th November. This includes new policies on the sustainability of new development, which increase standards for both residential and non-residential development. However, implementing these sustainability policies requires considerable detail to be set out within a Supplementary Planning Document (SPD). An SPD cannot make policy on its own, and can only provide detail on how policies in the development plan will be implemented.
- 3.3 The main sustainability policies of the Local Plan in terms of requirements for new development are policies CC2 and H5, and these are set out below:

“CC2: SUSTAINABLE DESIGN AND CONSTRUCTION

Proposals for new development, including the construction of new buildings and the redevelopment and refurbishment of existing building stock, will be acceptable where the design of buildings and site layouts use energy, water, minerals, materials and other natural resources appropriately, efficiently and with care and take account of the effects of climate change.

To meet these requirements:

- *All major non-residential developments or conversions to residential are required to meet the most up-to-date BREEAM ‘Excellent’ standards, where possible;*

- *All minor non-residential developments or conversions to residential are required to meet the most up-to-date BREEAM ‘Very Good’ standard as a minimum;*
- *All non-residential development or conversions to residential should incorporate water conservation measures so that predicted per capita consumption does not exceed the appropriate levels set out in the applicable BREEAM standard. Both residential and non-residential development should include recycling greywater and rainwater harvesting where systems are energy and cost effective.”*

“H5: STANDARDS FOR NEW HOUSING

New build housing should be built to the following standards:

[...]

c. All major new-build residential development should be designed to achieve zero carbon homes;

d. All other new build housing will achieve at a minimum a 19% improvement in the dwelling emission rate over the target emission rate, as defined in the 2013 Building Regulations.

[...]”

- 3.4 Other relevant policies within the Local Plan are those around adaptation to climate change (CC3), decentralised energy (CC4) and waste minimisation (CC5).
- 3.5 The Council has an existing Sustainable Design and Construction SPD, adopted in 2011, which supplements the sustainability policies in the Core Strategy and Sites and Detailed Policies Document. These documents were replaced by the new Local Plan, and the existing SPD is therefore out of date and can no longer be implemented. It is therefore essential to put a new SPD in place as soon as possible to allow the Council’s ambitious new sustainability approach to be realised.
- 3.6 The Government recently commenced consultation on changes to Parts L and F of the Building Regulations to introduce a Future Homes Standard¹. This would increase the energy efficiency requirements for new homes in 2020 and would require new build homes to be future-proofed with low carbon heating and world-leading levels of energy efficiency by 2025. This consultation lasts from 1st October 2019 to 10th January 2020, and focuses around options only at this stage. It does have the potential to supersede parts of the sustainability policies in the Local Plan, including zero carbon homes, depending on how and when it is brought into force, but this will not be known until after the consultation. The Council is working on making a robust response to this consultation. In the

¹ For further information, see: <https://www.gov.uk/government/consultations/the-future-homes-standard-changes-to-part-l-and-part-f-of-the-building-regulations-for-new-dwellings>

meantime, the Council will need to proceed with implementing its policies as planned.

4. THE PROPOSAL

(a) Current Position

4.1 Strategic Environment, Planning and Transport Committee approved the Draft Sustainable Design and Construction SPD for consultation on 9th July 2019 (Minute 10 refers).

4.2 Consultation was undertaken between 19th July and 6th September 2019, a total of seven weeks. The draft SPD was placed on the Council's website, and all of the contacts on the Council's consultation list were written to advise of the consultation. A total of 18 written responses were received. The main points raised are summarised below.

- All respondents expressed support for the general themes of the SPD and agreed that the Council must take urgent action to address CO2 emissions and reduce energy use generally.
- Many respondents provided helpful technical detail with regard to sustainable design and construction methods.
- Some respondents felt the SPD does not go far enough in addressing carbon emissions and energy use. (However, officers would like to reiterate that the SPD cannot introduce new policy requirements in and of itself. The SPD is limited to supplementing the standards which have already been adopted in the Local Plan.)
- Some respondents felt that references to certain technologies, such as biomass, should be removed because they are out-of-date or have air quality implications.
- Historic England requested that the SPD references specific considerations for heritage assets as sustainable design and construction interventions have the potential to cause harm to the historic environment.
- Some developers felt that the SPD imposes undue burdens on developers that will slow or deter development or make development unviable.
- Some respondents expressed doubts that BREEAM is the best tool for improving sustainable design and construction and suggested that other measures be used, such as Passivhaus, Minergie or LEED.
- Some respondents expressed concerns that district heating systems would not be achievable.
- Some respondents recommended that as-built energy performance be assessed consistently at the end of the planning process in order to ensure actual compliance with standards, as opposed to simply evaluating schemes at design stage.
- Some respondents suggested that the document go into further detail regarding the natural environment, such as biodiversity enhancement, landscape enhancement, protected species and habitats.

4.3 A full Statement of Consultation, detailing the consultation measures and the responses received, is included as Appendix 2. Proposed Council responses to each representation are also included within the Statement of Consultation.

4.4 The Council has also commissioned Element Energy to undertake a review of the draft SPD. The purpose of this review was to understand some of the detailed elements of implementing the Council's policies, and any likely issues that would result, as well as taking account of emerging best practice. This review resulted in the following recommendations, which have been incorporated into the adoption version of the SPD:

- Revise references to Combined Heat and Power to remove any support for combustion CHP, as these are increasingly becoming redundant for carbon saving purposes due to the decarbonisation of the grid. This also leads to a need to specify what version of Standard Assessment Procedure (SAP) is submitted at application stage to demonstrate compliance.
- Revisiting the section on site specific considerations and district heating to make clearer what is required of developers and provide commentary on the preferred approach.
- Make clear whether carbon savings required as part of zero carbon homes refer to regulated or unregulated emissions.
- Provide guidance on whether water-cooled chiller systems will be appropriate given water efficiency policies.
- Review trigger points for Section 106 payments under zero carbon homes so that the performance of the building as occupied can be taken into account, meaning needing 6 months after first occupation.
- That carbon offsetting prices be kept under review.

(b) Option Proposed

4.5 Committee is recommended to adopt the revised version of the Sustainable Design and Construction SPD. The version to be adopted is Appendix 3 to this paper. Once adopted, the SPD will be used to supplement the Local Plan for the determination of planning applications for new development.

4.6 The main changes that have been made to the SPD compared to the version that was consulted upon (in addition to those referred to in paragraph 4.4) are summarised below:

- Changes to bring the document up to date, including much greater reference to the declaration of a Climate Emergency and the work on a new Climate Change Strategy, the adoption of the Local Plan and the most recent version of the National Planning Policy Framework.
- Improvements to the wording around zero carbon homes to give greater clarity on expectations, including responding to suggestions in consultation that off-site non-financial carbon offsetting should be considered.

- Various small changes to remove or amend references to specific technologies, or to provide further technical detail as needed. It is important to note that the SPD is not intended to be an all-inclusive technical guide. This helps to future proof the document and allow for future changes in technology.
- Detail added to refer to the sensitivity of the historic environment and to ensure the appropriate balance is struck between heritage preservation and enhancement and sustainable design and construction.
- Further references to viability were added to align with the Main Modifications of the Local Plan. Viability was addressed in detail during the examination of the Local Plan and the SPD does not impose new policy requirements that could bring their own viability implications.
- More guidance on how carbon offsetting contributions could be spent (see paragraph 4.7).

Carbon offsetting contributions

- 4.7 Local Plan policy H5 expects that new-build developments of ten dwellings or more meet zero carbon standards. As set out in the Local Plan, and as supplemented by this SPD, where the development is not carbon neutral, the baseline is that it should achieve a 35% improvement in emissions over the 2013 Building Regulations, with a financial contribution to carbon offsetting to cover the remainder. This would be secured through a Section 106 agreement, and would be calculated at £1,800 per tonne of carbon (i.e. £60 per tonne over a 30 year period).
- 4.8 There is therefore expected to be a steady stream of funds from development to be put towards carbon offsetting schemes. It will take some time for these funds to start to be received, as it will only be received when developments which are currently at the planning application stage start to be developed. However, the Council will need to decide how these funds should be allocated to effectively offset the carbon impacts of new development in a timely manner.
- 4.9 In London, where carbon offsetting schemes are already in operation, the individual London Boroughs are responsible for allocating money to carbon offsetting projects. The authorities handle this differently, but the following are some of the more common projects:
- Upgrading of existing local authority housing;
 - Generating and supporting renewable and low carbon energy and heat projects;
 - Retrofitting private housing;
 - Behavioural change projects;
 - Boiler replacement schemes;
 - Home visits for energy saving advice;
 - Warmer homes schemes;
 - Provision of grants for renewable energy and energy efficiency;
 - Energy projects for community buildings, e.g. solar panels;
 - Sustainable transport measures;

- Shifts to low-emission vehicles; and
 - Tree planting and greening measures.
- 4.10 Not all of these are necessarily appropriate for Reading. As there is an increasing move away from gas, replacing old boilers with more efficient ones is not recommended. It will also be important that clear carbon savings can be demonstrated, which is easier for some projects than others,
- 4.11 The following initial projects have therefore been identified as potential uses of financial contributions. Formal spend approval will be required from an appropriate committee or delegation. It is anticipated that the final allocation of funds will respond to the Council's detailed Climate Change Action Plan when this approved in the New Year. It is unlikely that any significant developer contributions will have been received for at least a year, as new planning permissions will need to be built out to test the final performance to inform the contribution.
- Upgrading and retrofitting of existing housing;
 - Home visits for energy saving advice that leads to installation of energy efficiency saving measures;
 - Installation of heat pump based heating system where carbon emission savings can be demonstrated;
 - Generating and supporting renewable and low carbon energy and heat projects;
 - Provision of grants for renewable energy and energy efficiency;
 - Energy projects for community buildings, e.g. solar panels;
 - Installation of electric vehicle charging infrastructure; and
 - Tree planting and greening measures.
- 4.12 It is envisaged that additional resource will be needed within the Planning team or Sustainability team to manage this budget and oversee its implementation. Funds for this post would be allocated from the contributions received from developers.

(c) Other Options Considered

- 4.13 There are two alternative options to the proposed option above. They are: (i) to prepare a Sustainable Design and Construction SPD with significantly different requirements; and (ii) not to proceed with a Sustainable Design and Construction SPD.
- 4.14 The first option reflects what some of the consultation comments would have requested, for instance moving away from BREEAM and setting even more ambitious standards. However, this not possible because an SPD cannot make policy. Only a document with Local Plan status (and which has been through the necessary processes, including public examination) can make new policy. Therefore, the SPD is limited to supplementing the standards which have already been adopted in the Local Plan, and significantly different requirements cannot be set.
- 4.15 Not to proceed with a revised SPD would mean that there is no certainty for the Council and developers about what will be required at planning

application stage, and how these requirements will be judged. This would lead to potential delay and inconsistency at decision-making stage, and could also lead to challenge at appeal.

5. CONTRIBUTION TO STRATEGIC AIMS

- 5.1 Adoption of the SPD will guide future development in a way that will contribute to achieving the Council's priorities as set out in the Corporate Plan (2018-2021)² through "keeping Reading's environment clean, green and safe."
- 5.2 This SPD and the subsequent implementation of the proposals set out in the new Local Plan will contribute to the measures to address the recent declaration of a Climate Emergency, which will mean moving towards zero carbon by 2030. In doing so, it will help to achieve Reading's existing Climate Change Strategy (Reading Means Business on Climate Change 2013-2020)³ which seeks to reduce Reading's carbon footprint by 34% by 2020 in comparison to 2005 levels, and meet targets and actions arising from Reading's emerging Climate Change Strategy.
- 5.3 Reading has a large proportion of older, largely private-sector housing stock with poor thermal comfort, an over-representation of vulnerable adults and levels of poverty significantly higher than the regional average, therefore a fund that will be focused on retrofitting such accommodation will have significant benefits in terms of Reading's carbon footprint.

6. COMMUNITY ENGAGEMENT AND INFORMATION

- 6.1 Community involvement on the Draft Sustainable Design and Construction SPD took place between 19th July and 6th September 2019, a period of seven weeks. Paragraphs 4.2 to 4.3 of this report summarise the consultation process already undertaken, and this is set out in more detail in the Statement of Consultation in Appendix 2. The community involvement stages were undertaken in line with the Statement of Community Involvement (adopted March 2014).

7. EQUALITY ASSESSMENT

- 7.1 The Scoping Assessment, included at Appendix 1 identifies that an Equality Impact Assessment (EqIA) is not relevant to this Supplementary Planning Document. A full EqIA is not therefore required.

8. ENVIRONMENTAL IMPLICATIONS

- 8.1 The SPD implements the new sustainability policies in the Local Plan, which set high standards for emissions and energy efficiency in new development, and which mean that Reading is among the most ambitious

² http://www.reading.gov.uk/media/4621/Shaping-Readings-Future---Our-Corporate-Plan-2018-21/pdf/FINALCorporate_Plan_2018_21webpub.pdf

³ <http://www.reading.gov.uk/media/1232/Climate-Change-Strategy/pdf/Climate-Change-Strategy.pdf>

authorities. The entire purpose of the SPD is therefore to ensure that new developments achieve the highest possible standards of sustainability and energy efficiency, to form an essential part of Reading's response to the Climate Emergency.

- 8.2 The Local Plan policies around energy, as supplemented by this SPD, will be a key strand of the Energy and Low Carbon Development theme of the new Reading Climate Change Strategy. However, the SPD covers wider sustainability issues, and therefore it is expected to contribute to many, if not all, of the other five themes.
- 8.3 The report on the Climate Emergency to Strategic Environment, Planning and Transport Committee on 9th July 2019 identified a number of actions that would be needed to make significant progress towards a carbon neutral Reading by 2030. Funds raised through carbon offsetting contributions could be allocated in a way that would make a substantial contribution towards these actions. This could include retrofitting of existing residential and commercial properties, renewable energy projects such as solar and wind, and developing and connecting to district heating systems.
- 8.4 The SPD requires all major development proposals to submit a Sustainability Statement and Energy Statement at planning application stage. An Energy Statement demonstrates how the energy related aspects of the proposed development meets the requirements of local planning policy energy and emissions standards. Sustainability Statements require the developer to take consideration of all aspects of development form which can contribute to securing high standards of sustainable development. As well as energy, this includes matters such as water conservation, flood risk and drainage, transport and biodiversity.
- 8.5 Therefore, the adoption of the SPD is an essential step in ensuring that progress can be made to achieving a carbon neutral Reading by 2030.

9. LEGAL IMPLICATIONS

- 9.1 Regulation 12 and 13 of the Town and Country Planning (Local Planning) (England) Regulations 2012 set out the requirements for undertaking consultation on Supplementary Planning Documents. Regulation 14 sets out the requirements for adoption. The production of and consultation on the SPD are in compliance with the requirements under the Regulations.

10 FINANCIAL IMPLICATIONS

- 10.1 The work undertaken on drafting the documents and the expenditure on community engagement and on consultant support has been funded from existing budgets.
- 10.2 The implementation of proposals within the SPD will require additional officer time in order to properly assess Sustainability Statements and achieve zero carbon homes on major residential development sites. However, this is expected to be managed from existing budgets. For

complex developments, it may also mean commissioning specialist consultants to provide a view on submitted Statements. However, this can be charged to the applicant.

- 10.3 It has been considered whether implementation of the SPD may have an effect on house building in the Borough, including the Council's own housebuilding, due to the increased cost of compliance, particularly where zero carbon homes would apply (i.e. for major developments). The cost of compliance is not expected to be significant⁴. The viability testing of the Pre-Submission Draft Local Plan concluded that the policies of the local plan, including the requirement for Zero Carbon Homes within H5, would not detrimentally affect the viability of development. Additionally, it is likely that the costs of compliance will fall steadily over time as technologies are improved, and the costs of running properties will be significantly reduced. It is also important to note that any costs would not be a consequence of the SPD, because the decision to apply zero carbon homes was made as part of the Local Plan, adopted by Council on 4th November 2019. The SPD merely sets out some of the detail for its implementation.
- 10.4 It is anticipated that planning contributions collected through implementation of policy H5 will generate some funding for carbon offsetting within the Borough. Paragraphs 4.10 to 4.12 of this report deal with how this money could be used to offset the impacts of development. It is expected to be some time before these funds are received, as they will need to be triggered by occupation of the development.

Value for Money (VFM)

- 10.5 The adoption of a new SPD will ensure that development is appropriately guided and that significant environmental effects are minimised. Adoption of the SPD, in line with legislation, national policy and best practice, therefore represents good value for money.

Risk Assessment

- 10.6 There are no direct financial risks associated with the adoption of the SPD.

BACKGROUND PAPERS

- The Town and Country Planning (Local Planning) (England) Regulations 2012
- Draft Sustainable Design and Construction SPD, July 2019
- Adopted Local Plan, November 2019
- National Planning Policy Framework, February 2019
- Carbon Offset Funds, Mayor of London, October 2018

⁴ For example, in 2014 the London Housing Standards Review by the Greater London Authority determined the cost of Zero Carbon Homes compliance to be an additional 1 - 1.4% of base build cost and the viability assessment concluded that this did not represent a significant determinant to viability and delivery of housing. This aligns with the conclusions made by the viability assessment performed on our own Pre-submission Draft Local Plan.

APPENDIX 1: EQUALITY IMPACT ASSESSMENT

Provide basic details

Name of proposal/activity/policy to be assessed:

Adoption of the Sustainable Design and Construction SPD

Directorate: DEGNS - Directorate of Economic Growth and Neighbourhood Services

Service: Planning

Name: Mark Worringham

Job Title: Planning Policy Team Leader

Date of assessment: 18/10/2019

Scope your proposal

What is the aim of your policy or new service?

To provide information to supplement the sustainability policies of the Reading Borough Local Plan.

Who will benefit from this proposal and how?

The whole community will benefit from development reducing its contribution to climate change.

What outcomes will the change achieve and for whom?

The adoption of the Sustainable Design and Construction SPD, together with adopted Local Plan policies, will improve the energy efficiency and sustainability standards of new development, therefore helping to reduce the contribution that new development makes to climate change.

Who are the main stakeholders and what do they want?

Local residents and environmental groups - for development to reduce its contribution to climate change, and for associated improvements such as improved air quality.
Developers - policies which do not impact viability of development, and which provide certainty about what information is required and how decisions will be made.
Council - achieving zero carbon by 2030

Assess whether an EIA is Relevant

How does your proposal relate to eliminating discrimination; promoting equality of opportunity; promoting good community relations?

Do you have evidence or reason to believe that some (racial, disability, gender, sexuality, age and religious belief) groups may be affected differently than others?
(Think about your monitoring information, research, national data/reports etc)

Yes No

Is there already public concern about potentially discriminatory practices/impact or could there be? Think about your complaints, consultation, feedback.

Yes No

If the answer is **Yes** to any of the above you need to do an Equality Impact Assessment.

If No you **MUST** complete this statement

An Equality Impact Assessment is not relevant because: Reducing the impact that new development has on climate change does not have a differential effect on racial groups, gender/transgender, disability, sexual orientation, age or religious belief.

Signed (completing officer) Mark Worringham Date: 18th October 2019

Signed (Lead Officer) Mark Worringham Date: 18th October 2019