

Decision Maker: **Development Control Committee**

Date: **25 January 2017**

Decision Type: Non-Urgent Non-Executive Non-Key

Title: **Addendum to Bromley’s Planning Obligations Supplementary Planning Document (2010 as amended): - Establish Carbon Offset Contributions – payments in lieu of on-site provision**

Contact Officer: Mary Manuel, Head of Planning Strategy
Tel: 020 8313 4303 E-mail: mary.manuel@bromley.gov.uk

Chief Officer: Jim Kehoe, Chief Planner
Tel: 020 8313 4794 E-mail: jim.kehoe@bromley.gov.uk

Ward: All wards

1. Reason for report

- 1.1. This report proposes an Addendum to the Planning Obligations SPD to ensure that payments in lieu of on-site provision for carbon offsetting purposes are made in conformity with LB Bromley and London planning and national policies and guidance on carbon reduction for new major developments.
- 1.2. Where these carbon dioxide reduction targets cannot be met on-site, this obligation will require developers to make payments to the Council to implement energy efficiency measures (to reduce carbon emissions) elsewhere to achieve the shortfall between the developer’s proposal and the policy objectives.

2. **RECOMMENDATIONS**

That Development Control Committee:

- 2.1. Approves the Addendum to the Planning Obligations SPD as shown at Appendix One, with immediate effect, for the purposes of meeting local and regional policies and guidance on carbon offsetting, in particular for payments *in lieu*.
- 2.2. Approves the carbon offset price of £60 per tonne of carbon dioxide for a period of 30 years.

Impact on Vulnerable Adults and Children

1. Summary of Impact: Not Applicable
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Corporate Policy

1. Policy Status: New Policy
 2. BBB Priority: Excellent Council Quality Environment Vibrant, Thriving Town Centres
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Financial

1. Cost of proposal: N/A
 2. Ongoing costs: N/A
 3. Budget head/performance centre: N/A
 4. Total current budget for this head: N/A
 5. Source of funding: N/A
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Personnel

1. Number of staff (current and additional):
 2. If from existing staff resources, number of staff hours:
-

Legal

1. Legal Requirement: Statutory Requirement Non-Statutory - Government Guidance None: Further Details
 2. Call-in: Applicable Not Applicable: Further Details
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Procurement

1. Summary of Procurement Implications: Projects will follow Council's CPR's
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected):
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: Not Applicable

3. COMMENTARY

Summary

- 3.1. The London Plan 2016 (Policy 5.2) requires developers to reduce carbon emissions associated with major new residential and non-residential developments. On 1 October 2016 this target increased and it will become more difficult for some developments to meet this requirement on-site. The policy states that any shortfall may be provided off-site or through a payment *in lieu* contribution to the relevant borough. Payments may be secured through Section 106 agreements and contribute towards funding local carbon reduction projects off-site.

Policy Context

- 3.2. The London Plan sets out increased carbon reduction targets for new major developments. From 1 October 2016:
- *Residential* developments are required to be ‘zero carbon’
 - *Non-residential* developments are required to achieve a continued 35% reduction against Building Regulations 2013 ‘Part L’
- 3.3. ‘Zero Carbon’ homes (GLA Energy Planning Guidance: March 2016) must achieve a minimum 35% reduction in regulated carbon dioxide emissions (beyond Part L 2013) on-site. If the remaining emissions (65%) cannot be reduced on-site, they should be offset through a payment to the relevant borough, into a ring-fenced fund, to secure the carbon reduction off-site.
- 3.4. LB Bromley has been using the London Plan policies on energy and carbon since 2009. Since then, the majority of major developments have successfully achieved the carbon reduction targets required by the London Plan but there have been cases where a pragmatic approach has been needed – usually due to particular physical on-site challenges or listed buildings.
- 3.5. The emerging Local Plan has included the ‘carbon offsetting’ principle since 2014 and the Council’s carbon reduction policy has recently been updated for the Draft Local Plan Consultation to ensure that the Council’s intentions are clear.

Payments in lieu for Carbon Offset purposes

- 3.6. The specific amendments of the Planning Obligations (S106) SPD are set out in Appendix One. Where a carbon shortfall is identified in a development proposal, the Council will need to agree (with the developer) that a payment *in lieu* is made. The use of payments *in lieu* may make it easier and quicker for some developments to meet the policy requirements but the Council will need to be satisfied that every effort has been made achieve the targets on-site first.
- 3.7. It is proposed that the Council should use the Mayor’s established carbon offset price of £60 per tonne of carbon dioxide for a period of 30 years (£1,800/t lifetime price) as the GLA guidance states that where the borough applies a carbon dioxide off-set price of £60 per tonne, it is not considered necessary for boroughs to carry out a further viability assessment of the policy approach.
- 3.8. Carbon emissions associated with new developments should be calculated by the developer using the guidance and information set out in Sections 7 and 8 of the GLA Guidance on Preparing Energy Assessments (March 2016). These calculations will be verified by the Council prior to any payments being made.
- 3.9. The decision of when to collect the payment will be made on a case-by-case basis, with smaller developments potentially paying on commencement but having a phased approach to payments for larger developments.

3.10. In order to comply with CIL Regulations on 'Pooling' of planning obligation s106 contributions, there may be a need to identify specific projects before the s106 obligation is completed. These should normally be identified from existing or future approved spending plans of the Council and subject to the Council's Financial Regulations.

4. POLICY IMPLICATIONS

4.1 LB Bromley's Planning Obligations SPD will be amended to reflect the London Plan and Bromley's emerging Local Plan.

5. FINANCIAL IMPLICATIONS

5.1 The Council will collect payments in lieu for carbon reduction purposes via s106 agreements

6. LEGAL IMPLICATIONS

6.1 Planning obligation contributions will be subject to the CIL Regulations.

7. PROCUREMENT IMPLICATIONS

7.1 Procuring carbon offset projects will follow the Council's Contract Procedure Rules.

Non-Applicable Sections:	IMPACT ON VULNERABLE ADULTS AND CHILDREN PERSONNEL IMPLICATIONS
Background Documents: (Access via Contact Officer)	The London Plan 2016 (Policy 5.2) Greater London Authority Guidance on Preparing Energy Assessments (March 2016) Draft Local Plan (November 2016)