

Passivhaus Motion, Climate Change and Energy Efficiency**REPORT TO THE EXECUTIVE**

DATE	17th February 2020
PORTFOLIO	Housing and Leisure
REPORT AUTHOR	Paul Gatrell/Elizabeth Murphy
TEL NO	01282 477320
EMAIL	pgatrell@burnley.gov.uk

PURPOSE

1. To respond to the Passivhaus Motion raised at Full Council on the 18th December 2019 (Appendix 1) regarding the Council's policy and approach to energy efficiency, fuel poverty and climate change.

RECOMMENDATION

2. That the Executive does not adopt the proposals set out in the motion due to potential service and financial implications for the Council and the inability to set new policy requirements via a Supplementary Planning Document. However, the Executive is recommended to consider the preparation of a Design SPD which inter alia includes guidance on energy efficiency measures. (Local Development Scheme agenda item x)
3. That the Executive authorise officers to conduct a review of the specification of renovation work applied to the empty homes programme and seek opportunities to improve the property Energy Performance Certificate (EPC) rating above level C.

REASONS FOR RECOMMENDATION

4. To protect the Council's financial position and avoid any consequences that could affect the Council's ability to deliver high quality affordable homes and housing regeneration programmes.
5. The Local Plan was adopted in July 2018 following extensive consultation and a public examination. Supplementary Planning Documents (SPDs) cannot be used to introduce new policy requirements and can only be used to build upon and provide more detailed advice and guidance on the application and interpretation of policies within the Local Plan. Passivhaus is not a policy requirement in the current Local Plan and therefore it is not possible to introduce this as a requirement through an SPD.
6. The government's proposal to increase the energy efficiency of new dwellings through uplifts to the building regulations in 2020 and a Future Homes Standard in

2025 would better address part 3 of the motion.

7. To explore the possibility of improving energy efficiency in properties renovated under the Empty Homes Programme.

SUMMARY OF KEY POINTS

Introduction

8. The motion raised at Full Council on the 18th December 2019 requested that the Council resolves:
 - To specify Passivhaus Standards for all buildings on Council owned land or as a condition of sale on Council owned land.
 - To renovate all houses which are acquired under Compulsory Purchase Order by the Council as energy efficient as possible and having regard to Passivhaus Standards where possible.
 - To produce Supplementary Planning Guidance at the earliest opportunity calling for higher energy efficiency standards compliant with the internationally recognised Passivhaus Zero Carbon Standard.

Assessment:

To specify Passivhaus Standards for all buildings on Council owned land or as a condition of sale on Council owned land

9. Passivhaus standard is an internationally recognised low energy design standard that aims to significantly improve comfort and indoor air quality whilst reducing heating bills within buildings. The standard can be applied to new buildings and existing buildings where retrofit is an option. The Passivhaus Institute define a passivhaus as "...a building in which thermal comfort can be achieved solely by post-heating or post-cooling the fresh air flow required for a good indoor air quality, without the need for additional recirculation of air." There are examples across the UK of Passivhaus Standards being used in social and private housing, schools, offices and community buildings.
10. To impose such a condition for buildings on Council owned land would be likely to result in very significant adaptation and renovation costs to existing buildings. These costs would be beyond what the Council is able to commit to improve energy efficiency in its own buildings.
11. The Council is committed to improving the energy efficiency of its buildings and reducing its carbon footprint. In recent years we have upgraded insulation in Council buildings, installed energy efficient lighting systems operated by motion sensors, replaced boilers with modern energy efficient systems and continue to rationalise our use of buildings to ensure the most efficient use of our assets.
12. To introduce restrictions, covenants or building standards on Council owned

land that are over and above current market requirements would be likely to deter potential purchasers and developers, devaluing the land and potentially rendering it undevelopable. Introducing this criterion to the sale of Council owned land would also potentially involve the need to reopen negotiations on existing land that is under consideration for sale. This would affect the Council's ability to facilitate the delivery of quality housing to help create a balanced housing market and maximise the use of previously developed (brownfield) land.

To renovate all houses which are acquired under Compulsory Purchase Order by the Council as energy efficient as possible and having regard to Passivhaus Standards where possible

13. Each year the Council aims to acquire 20 properties under the Empty Homes Programme that are renovated and returned in to use. The proceeds from each sale is recycled back into the programme to allow the Council to purchase further properties and sustain the programme from existing capital resources.
14. Whilst the Council do not currently work to Passivhaus standards, it greatly improves the energy efficiency in the properties it renovates. Wherever possible it specifies higher insulation standards than those currently accepted in the industry for loft insulation and dry lining the external walls using insulated plasterboard. It also specifies A rated gas central heating boilers with a minimum 5-year guarantee.
15. The Council does not receive any external funding to deliver its Empty Homes Programme and in order to sustain the programme the proceeds from the sale of a property needs to be closely aligned to the cost of its purchase and renovation. The Council are proud of the quality of our renovations and drive efficiencies by paying close attention to the renovation cost. Whilst the homes are renovated to a high standard with good thermal properties the works are tightly controlled in order to make the properties viable and the programme financially sustainable.
16. Most of the empty properties purchased under the empty homes programme are Victorian terraced houses and the cost of achieving Passivhaus standards in this type of property would be likely to render the programme unviable in the medium term. The cost of renovation would be disproportionate to the market value of the dwellings that would deplete resources and reduce our ability to tackle some of the worst empty properties in the borough.
17. This report is proposing that officers carry out a review of the current renovation standard to explore the options for increased energy efficiency. At present the renovation of Victorian terraced housing generally achieve a property EPC rating of C. The review will assess the cost and practicality of additional measures that would produce higher EPC ratings.

To produce Supplementary Planning Guidance at the earliest opportunity calling for higher energy efficiency standards compliant with the internationally recognised Passivhaus Zero Carbon Standard

18. The Council's Local Plan was adopted in July 2018 and covers the period up to

2032. Supplementary Planning Documents (SPDs) cannot be used to introduce new policy requirements and can only be used to build upon and provide more detailed advice and guidance on the application and interpretation of policies within the Local Plan. Passivhaus is not a policy requirement in the current Local Plan and therefore it is not possible to introduce this as a requirement through an SPD.

19. Specific reference to Passivhaus standards on greenfield sites (as one of a number of optional sustainability criteria) both within policy SP4 and a number of the housing allocations under HS1 was contained within the Council's Submission Local Plan but was required to be removed from it by the Inspector following its Examination. In his report at paras 29-31 the Inspector concluded:

"Part 3)c) of Policy SP4 seeks to impose additional criteria and higher development standards on proposals using green field land within development boundaries, including on sites allocated in the Local Plan. The Local Plan quite rightly seeks to promote the redevelopment of previously developed sites within the Borough. However, there is a need to provide a good range and choice of development sites, particularly if the Council's aspirations for growth are to be achieved. The Local Plan justifiably includes a number of site allocations on green field land. There are policies in the Local Plan which would ensure a good standard of development and avoid significant adverse impacts on the environment and local communities regardless of the nature of the site in question.

There is no justification for imposing additional restrictions and costs on proposals within development boundaries simply because they are on green field land. The Council fully recognises that to achieve the level of housing and employment development required, there will be a need for some green field land to be developed. As it stands, this aspect of Policy SP4 could undermine this objective.

Whilst it is appropriate to take account of whether schemes make use of previously developed land and re-use existing buildings and infrastructure, green field sites allocated in the Local Plan will have already been considered as suitable."

20. The issues of fuel poverty and climate change are identified as one of the "Key Issues and Challenges" in the Spatial Portrait of Burnley's Local Plan which refers to "Addressing poor quality housing and reducing fuel poverty" (p.12) and "Reducing carbon dioxide and other polluting emissions whilst meeting development needs and demands" (p.23). These matters are also reflected in the Plan's Objectives in particular Objective 1: Delivering Sustainable Growth "To minimise the adverse impacts of climate change to support growth to meet the need for jobs, homes and services in the context of moving towards a low carbon economy and stemming population decline. Growth will be managed so that its takes place in the most appropriate locations, promotes the re-use of previously developed land and buildings, energy efficiency and sustainable design; and encourages the use of decentralised and renewable or low carbon energy sources" (pg.29).

21. The Local Plan then addresses climate change through a number of policies

that seek to reduce emissions by supporting renewable energy provision and limiting/reducing pollution. These policies include SP5: Development Quality and Sustainability, CC1: Renewable Energy and Low Carbon Energy, CC2: Suitable Areas for Wind Energy Development, CC3: Wind Energy Development, NE5: Environmental Protection, IC1: Sustainable Travel, IC2: Managing Transport and Travel Impacts and IC3: Car Parking Standards, which amongst other matters requires the provision of ultra-low emission charging points. These policies are considered and applied to all relevant developments across the borough.

22. Although the specific motion cannot be achieved, the Council has already committed to the production of a Supplementary Planning Document (SPD) on Air Quality Guidance in its adopted Local Development Scheme (LDS) of January 2018. Now retitled 'Air Quality Management', a consultation draft of this SPD is proposed to be considered by the Executive at its meeting in February 2020. Although focusing on air quality rather than climate change, the two issues have commonality in terms of limiting emissions. A new SPD on Design Guidance is also now proposed (subject to Executive approval of the necessary resources). This will supplement policy SP5 and provide guidance on on-site renewable energy provision and energy efficiency measures to meet the policy requirements.
23. It is also relevant to consider current and proposed national policy on energy efficiency standards in buildings and their use in Local Plans, which may better address the important issues behind the motion.
24. The Planning and Energy Act 2008 allowed local planning authorities to set and apply policies in their local plans which required compliance with energy efficiency standards for new homes that exceeded the requirements of the Building Regulations. In 2015, the government set out in a Written Ministerial Statement (WMS) its policy expectation that local planning authorities should no longer set bespoke performance standards for new homes higher than Building Regulations and should consider reviewing their plans to remove any that existed. The stated intention at the time was to revise the Building Regulations and introduce a zero carbon homes standard in 2016 and to formally revoke the 2008 Act provision referred to above.
25. The WMS indicated that pending the commencement of the legislative changes, planned for late 2016, local plans could still set energy performance levels (subject to robust evidence and viability testing) above the building regulations. Whilst the 2013 Deregulation Bill was enacted in March 2015, the clause revoking the relevant provision of the 2008 Act has still not yet been brought into force. The zero carbon homes standard and planned building regulations uplift plan were dropped later in 2015.
26. At the time of the submission and examination of Burnley Local Plan, the intention to enact the clause of the Deregulation Act referred to above and to move away from bespoke energy efficiency performance standards in local plans remained.
27. More recently, following a commitment in its 2019 Spring Statement to introduce a 'Future Homes Standard' for new build homes by 2025; on 1

October 2019, the Government issued a first consultation on this Future Homes Standard (this ended on 10 January 2020). A further, more detailed consultation on technical standards for the Future Homes Standard is proposed to follow in 2024 and consultation on Building Regulation changes for works to existing buildings and new non-residential buildings was undertaken in early 2020. <https://www.gov.uk/government/consultations/the-future-homes-standard-changes-to-part-l-and-part-f-of-the-building-regulations-for-new-dwellings>

28. The consultation includes two inter-connected proposals:

- The plans for achieving the Future Homes Standard in 2025; and
- Proposed changes to the Building Regulations Part F (Ventilation) and Part L (Conservation of Fuel and Power) for new homes in 2020 as a stepping-stone to the Future Homes Standard.

29. The consultation recognises the confusion created by the current policy and legislation and points out that:

“the application of disparate energy efficiency standards across local authority boundary lines often means that homes need to be built to different technical specifications in different parts of England. This inconsistency creates inefficiencies in supply chains, labour and potentially quality of outcomes.”

and also that:

“We appreciate both uplift options increase the costs for home builders and so we propose to remove the ability of local planning authorities to set higher energy efficiency standards than those in the Building Regulations.”

30. The importance of the issues raised by the motion in terms of limiting polluting emissions, helping address fuel poverty, promoting energy security and limiting human impact on climate change are reflected in the Council’s Local Plan and officers support the government’s stated aim of creating certainty and consistency in energy efficiency standards through Building Regulations uplifts, and in principle the Future Home Standard rather than the plan making system.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

31. Whilst it is not possible to quantify with any certainty the financial implications associated with the adoption of the motion as presented to Full Council on 18th December 2020, it is highly likely there would be significant costs. There is also a risk that these costs would impact on the Council’s ability to develop land in its ownership and sustain the delivery of its empty homes programme in the medium term.

32. The financial implications are considered significant and the risks to the delivery of key strategic projects high.

POLICY IMPLICATIONS

33. None.

DETAILS OF CONSULTATION

34. None.

BACKGROUND PAPERS

35. None.

FURTHER INFORMATION

PLEASE CONTACT: Paul Gatrell 01282 477230

ALSO: Elizabeth Murphy 01282 477286

