Proposed reforms to the NPPF and other changes to the planning system

PM13 Setting standards

LETI

Evidence

This document should be read in conjunction with our written response which sets out why we **strongly disagree** with PM13.

Local energy policies do not stifle planning and development (1/2)

MHCLG data demonstrate that local net zero energy policies introduced by Bath & North East Somerset Council and Cornwall Council in 2023 did not stifle planning and development in these areas. There is no evidence that net zero policies make the planning process too complex or that they constrain housing delivery.

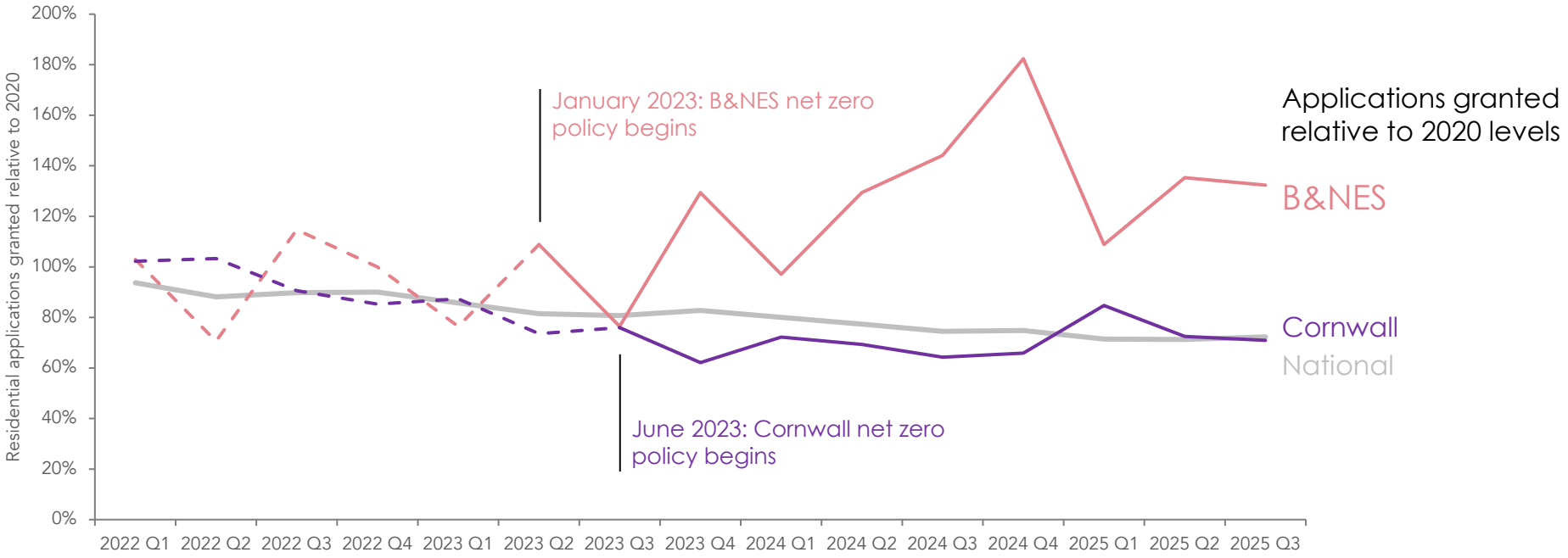


Chart based on MHCLG reference table 2 (PS2) data for district planning applications, showing applications granted for major and minor dwellings. This shows applications granted relative to 2020 levels in each area. Applications can refer to multiple dwellings. Data is not available for individual dwellings.

Local energy policies do not stifle planning and development (2/2)

Local authorities and developers support net zero energy policies. Below is a selection of supportive comments.

"***I have been incredibly impressed by how quickly our case officers, validation teams and applicants have got to grips with the new requirements and established net zero as the new norm across Cornwall***.

Of all the cases since we adopted our net zero policy in June 2023, only five applications have needed a viability review in relation to our residential energy standards (and all but one of these cases had other viability issues). Furthermore we have approved offsetting (into a Cornwall Council fund) in only 5 permissions. Wherever a concession has been made for viability or technical feasibility reasons this has been carefully agreed, ensuring that the proposal has gone as far as is reasonably possible towards our net zero standards."

Emily Rubin, Cornwall Council

"Essex has shown that building to this high standard is technically, legally and ***financially viable****. The freedom of local authorities to set energy performance standards that go beyond building regulations should not be limited, but rather encouraged, to enable them to build homes that are fit for the future and that deliver a raft of benefits to residents today."*

Councillor Lee Scott – Cabinet Member for Housing, Planning and Regeneration at **Essex County Council**

"***As developers of new homes we support high energy efficiency standards*** *and good quality housing developments in parts of the UK where this is known to be viable.*

We already use energy-based metrics (e.g. EUI) as part of our standard practice.

We would be concerned for the new build sector if the national minimum standard became an anti-progressive ceiling that restricted local aspiration."

Alex Whitcroft, KIN

"***We think that higher local energy efficiency standards can help the deployment of energy efficiency measures, promote innovation and gradually upskill the sector***.

These standards can also have wider benefits (e.g. embodied carbon, overheating and climate change resilience, air quality), and can also be positive in gaining public support for development."

Basil Demeroutis, FORE Partnership

Viability of local energy standards has been demonstrated

Viability has been proven across 16 different local planning authorities nationally. Policy examination reports frequently state that there are no viability issues found with local policies adopting energy-based metrics.

Here are a selection of supporting comments from inspectors in their examination reports.

"Having regard to the Council's viability evidence, including the requirements of the emerging Future Homes Standard and other Plan policy requirements that influence viability, in the round, I find ***the application of policies CN1 and CN3 would be unlikely to impose a significant financial burden*** *on the Plan's planned development* ***or have a significant effect on its affordability****"*

…no matter how energy efficiency is proposed to be measured, the environmental outcome, to mitigate climate change and contribute to the net zero obligation, will remain the same and it will meet the overarching aim of national policy. Therefore, based on the evidence before me, I find the Council's approach in policy CN1 and CN3, subject to the MMs proposed consistent with national policy, justified and effective. It is therefore sound."

Inspector comment - Winchester Local Plan

*"****There is no evidence to suggest that****, in this case, the longstanding aspiration for the garden community to meet* ***the highest standards of sustainable design and construction*** *measures* ***would therefore make the development unviable*** *or undevelopable over the plan period."*

Inspector comment - Tendring District Council

"…the application of Policy 2 in isolation, is unlikely to impose a high financial burden on the Garden Village scheme or have a significant effect on housing supply and affordability as other factors also impact on overall viability. The application of Policy 2 is ***not a factor likely to make a development unviable and there should therefore be no adverse impact on housing delivery and affordability****.*

Inspector comment - Salt Cross Garden Village AAP

"We have considered the effect of achieving net zero carbon in operation on the viability of new development and are satisfied that realistic build-cost uplifts have been factored into Viability Assessment Stages 1 and 2 (INF7 and INF8). In the light of this, we accept the viability assessment reports findings that there is ***reasonable prospect of the Plan's strategic allocations coming forward viably****"*

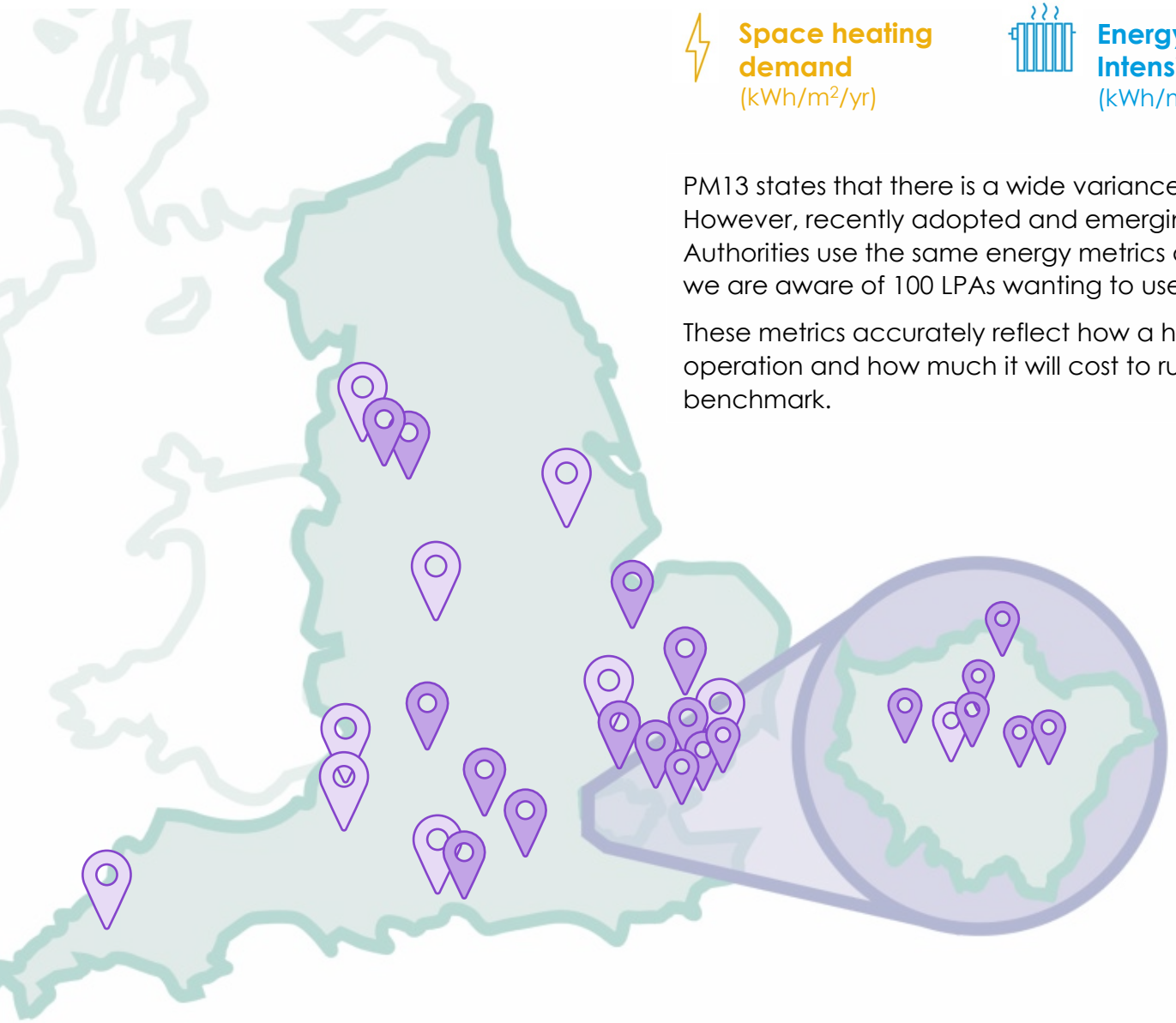
Inspector comment - Uttlesford Local Plan

Recently adopted or emerging local plan energy policies are consistent

Space heating demand (kWh/m^2/yr)

Energy Use Intensity (kWh/m^2/yr)

On-site renewable energy generation (kWh/m^2/yr)



PM13 states that there is a wide variance in local energy efficiency standards. However, recently adopted and emerging local policies across at least 30 Local Authorities use the same energy metrics and measurement methodologies; and we are aware of 100 LPAs wanting to use energy-based metrics.

These metrics accurately reflect how a home or building is likely to perform in operation and how much it will cost to run, and they are simple to understand and benchmark.

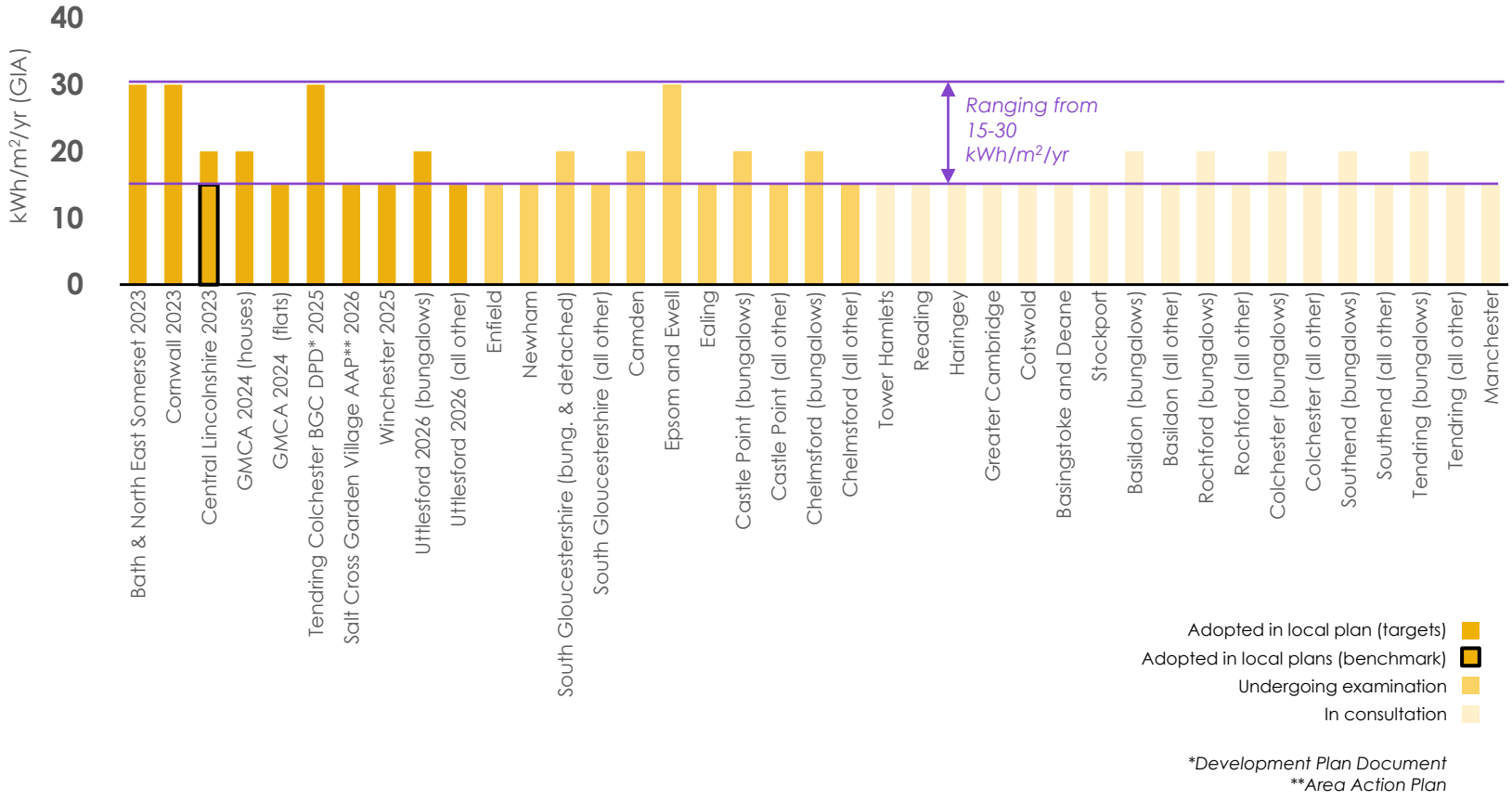
Adopted in local plans: *Bath and North East Somerset (B&NES), Cornwall, Central Lincolnshire, Royal Borough of Kensington and Chelsea, Greater Manchester Combined Authority (GMCA), Winchester, Uttlesford, Tendring Colchester Borders Garden Community which is an adopted development plan document (DPD) and Salt Cross Garden Village which is an Area Action Plan (AAP).*

Emerging/ draft local plans: *Enfield, Newham, South Gloucestershire, Camden, Epsom Ewell, Ealing, Castle Point, Tower Hamlets, Chelmsford, Reading, Haringey, Greater Cambridge, Cotswold, Basingstoke and Deane, Stockport, Basildon, Rochford, Colchester, Southend, Tendring and Manchester.*

They use Space Heating Demand performance levels

Space heating demand
New residential developments

The Space heating demand metric is used in all adopted and emerging local plan policies below as it is a good way of ensuring the building fabric is efficient enough to reduce heating system requirements and resident's energy bills. This graph shows that there is broad consensus of the level of performance expected in these policies, with some variation due to the local context (e.g. climate variations, viability).

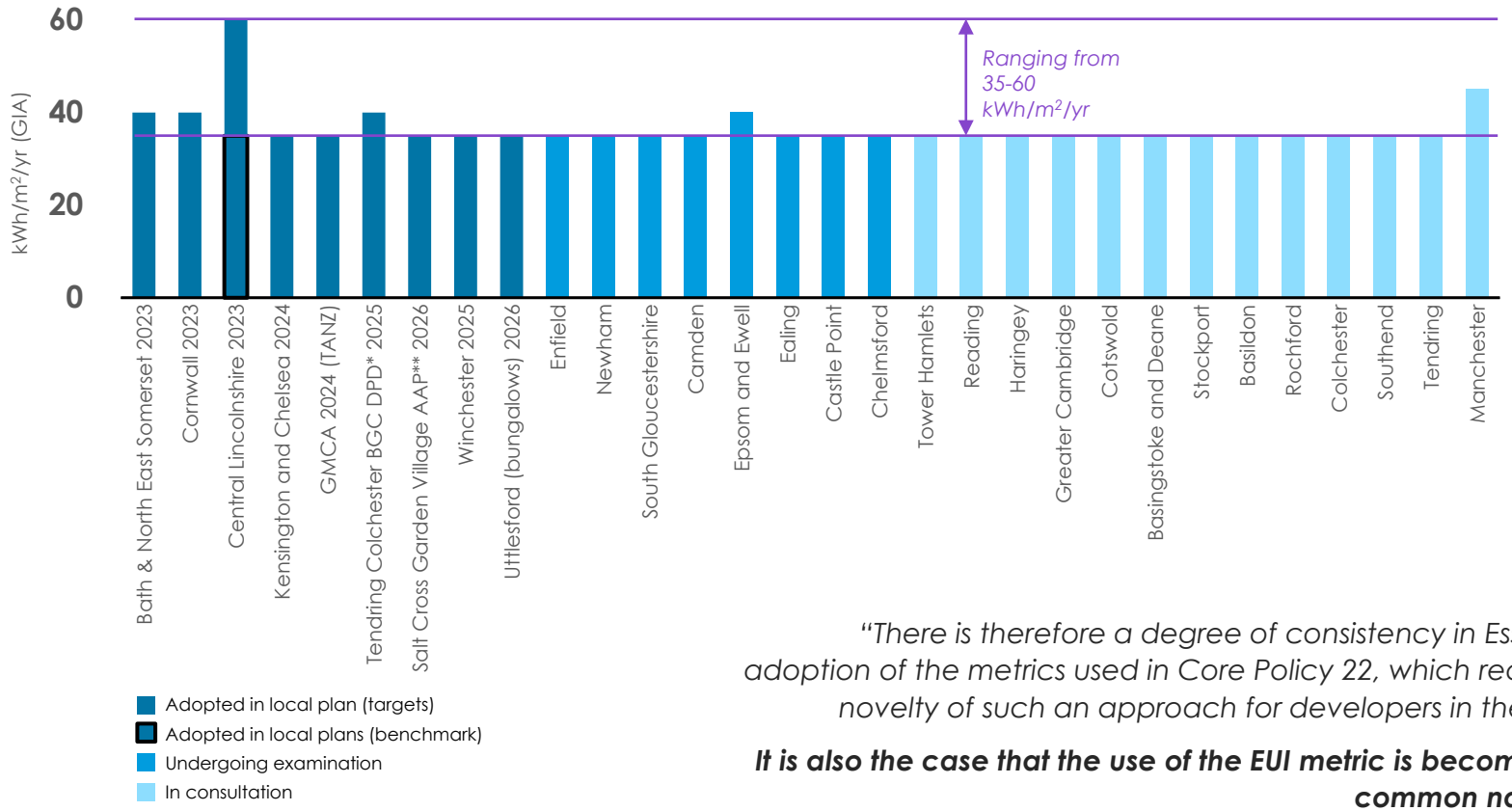


*Development Plan Document
**Area Action Plan

They use Energy Use Intensity performance levels

Energy Use Intensity
New residential developments

The Energy Use Intensity metric is used in all adopted and emerging local plan policies below as it is a good way of understanding how a building will perform in operation and how much it is likely to cost residents in energy bills. It is a very simple and powerful metric



*Development Plan Document
**Area Action Plan

"There is therefore a degree of consistency in Essex to the adoption of the metrics used in Core Policy 22, which reduces the novelty of such an approach for developers in the County.

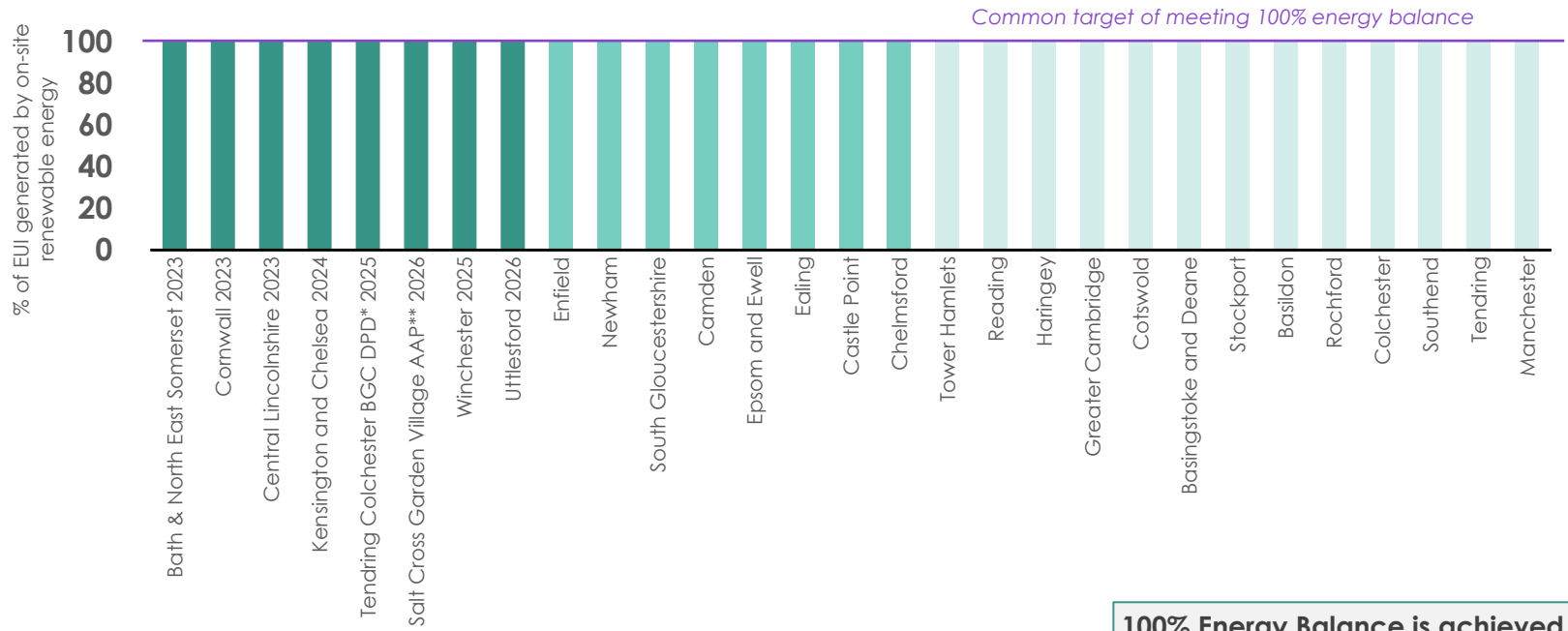
It is also the case that the use of the EUI metric is becoming more common nationally."

Inspector comment - Uttlesford Local Plan

They use On-site Renewable Energy Generation

On-site renewable energy generation
New residential developments

On-site renewable energy generation requirements ensure homes achieve an energy balance and reduce their impact on the local electrical infrastructure. This graph shows there is full alignment between the policies below. They all require that new residential development generate from roof-mounted PVs the equivalent of its energy use (on an annual basis).



Adopted in local plan (targets)
Adopted in local plans (benchmark)
Undergoing examination
In consultation

*Development Plan Document
**Area Action Plan

100% Energy Balance is achieved when:

Energy Use Intensity
(kWh/m^2/yr)
=
On-site renewable energy generation
(kWh/m^2/yr)

Justification for local energy standards has been demonstrated

A growing number of policies that use energy-based metrics have been found sound and justified by Planning Inspectors through the examination process. Below are quotes from specific reports highlighting consistency of local plans with national planning policy and the transition to a low carbon future.

"... there is a justified rationale for the approach taken in Core Policy 22. Although the use of alternative metrics to TER means that it departs from the WMS, ***that departure is justified by the evidence presented to us and the objectives of the Plan in addressing climate change.*** *...the policy's whole life carbon assessment-based approach will help large scale development to minimise embodied carbon and maximise reuse.* ***We consider that Core Policy 24 is consistent with the Framework's requirement to support the transition to a low carbon future."***

Inspector comment - Uttlesford Local Plan

"the approach of Policy S7, which seeks to go above and beyond the requirements of the Building Regulations, ***is not inconsistent with national planning policy*** *for the purposes of the Planning and Energy Act 2008.*

When read as a whole, it is also ***consistent with the Framework which states that the planning system should support the transition to a low carbon future in a changing climate and help shape places in ways that contribute to radical changes in greenhouse gas emissions****."*

Inspector comment - Central Lincolnshire Local Plan

"The Council's analysis indicates that proposals under Part L 2021 and Future Homes Standard consultation do not currently go far enough to meet the reduction in emissions required to achieve Net Zero emissions in 2030....The Council proposes to deviate from this and use an alternative metric, the Energy Use Intensity...

Overall, it contends that ***it is a simpler metric, easy to understand by the development industry, residents etc. and can be used as a proxy for energy costs."***

Inspector comment - Winchester Local Plan

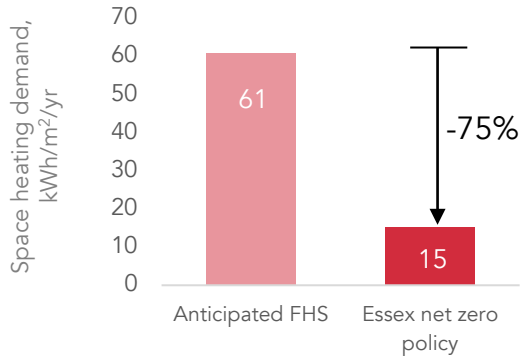
"Whilst there is a slight deviation from the WMS in terms of the use of an energy metric other than the TER, ***this is justified by the evidence****."*

Inspector comment - Salt Cross Garden Village AAP

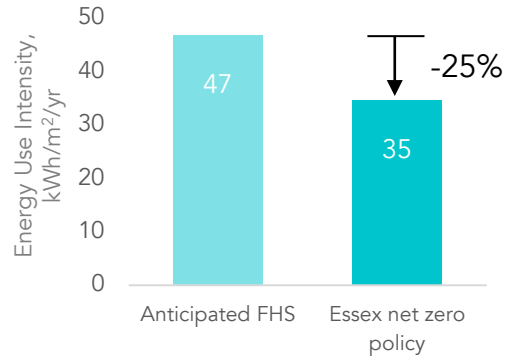
A local Net Zero policy brings a range of benefits compared to the FHS

The Essex Net Zero policy reduces space heating demand by 75% and energy use intensity by 25% compared with the (anticipated) Future Homes Standard. For a marginal capital cost uplift residents are likely to experience reliably lower bills, which are resilient to changes in energy pricing, tariffs and extreme climates.

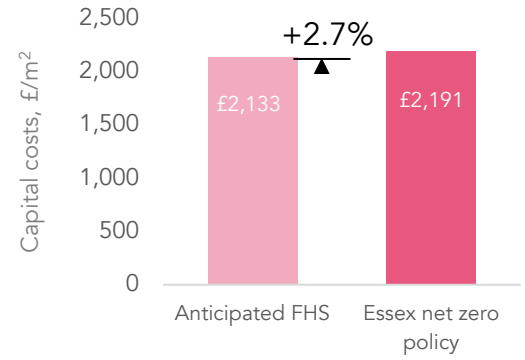
Space heating demand



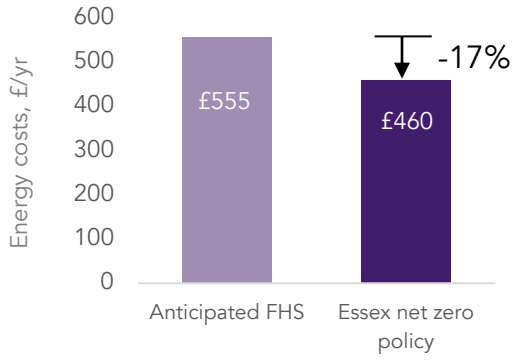
Energy Use Intensity – EUI



Capital costs



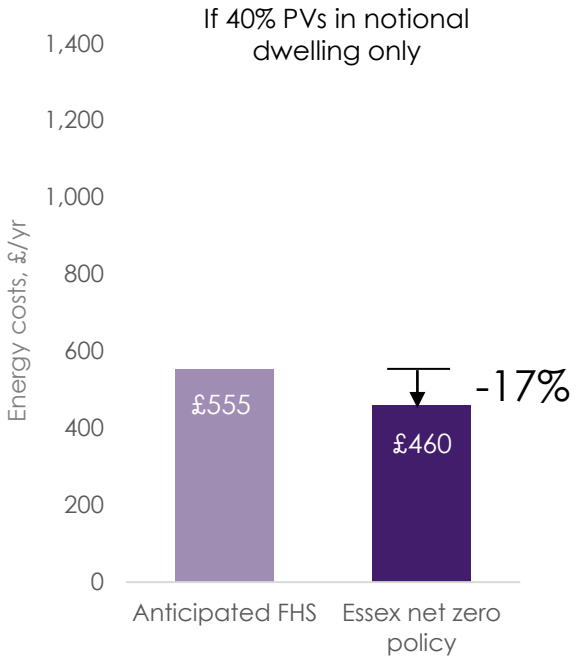
Energy costs

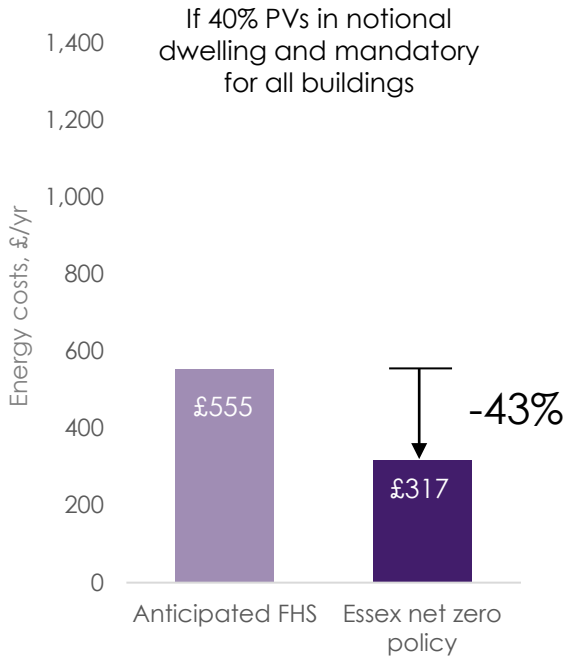


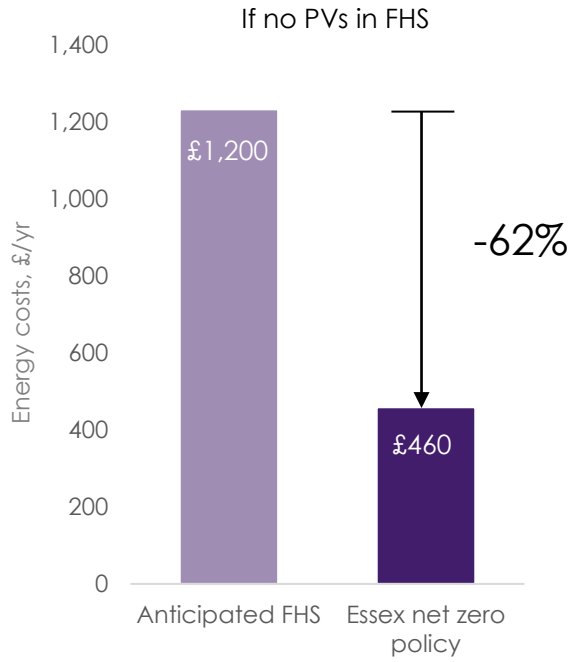
Results of a study undertaken for Essex County Council on energy use and costs of a typical newbuild 85 sqm semi-detached house. This compared the results for a house with the anticipated FHS specification against the same house with an Essex net zero policy compliant specification.

A local Net Zero policy can significantly cut residents' energy bills

Homes with higher fabric efficiency have greater flexibility to use energy for space heating at times when cheaper lower carbon renewable supply is available, whether via time-of-use tariffs or on-site solar. This gives greater resilience and cost certainty for residents, whatever the details of the Future Homes Standard turn out to be.



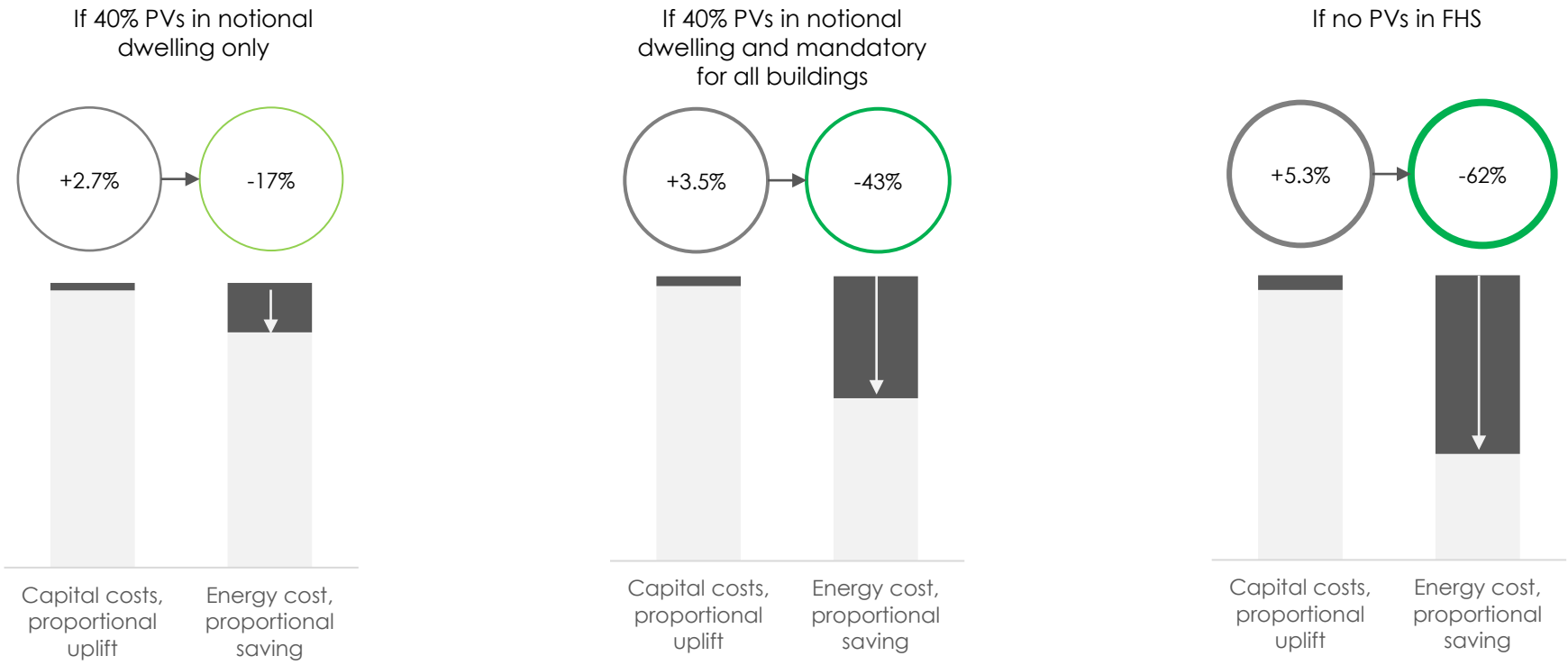




Results of the same study undertaken for Essex County Council showing potential energy costs for a typical newbuild 85 sqm semi-detached house. This highlights the impact of the details of the final PV requirements in the FHS. Please note that there is a significant uncertainty margin. The price difference would be less with dynamic tariff, and more if the PV requirement in FHS is less than anticipated.

Where it is viable, a local Net Zero policy can be the right standard

Capital cost modelling shows very little increase from the anticipated FHS notional building specifications to Essex net zero policy compliant specifications. The charts show that a small capital cost uplift results in a large energy bill saving.
Fabric efficiency means resilience to future changes in energy prices and extreme changes to the climate.



Results of the same study undertaken for Essex County Council showing proportional capital cost uplifts compared to potential energy cost savings for a typical newbuild 85 sqm semi detached-house.

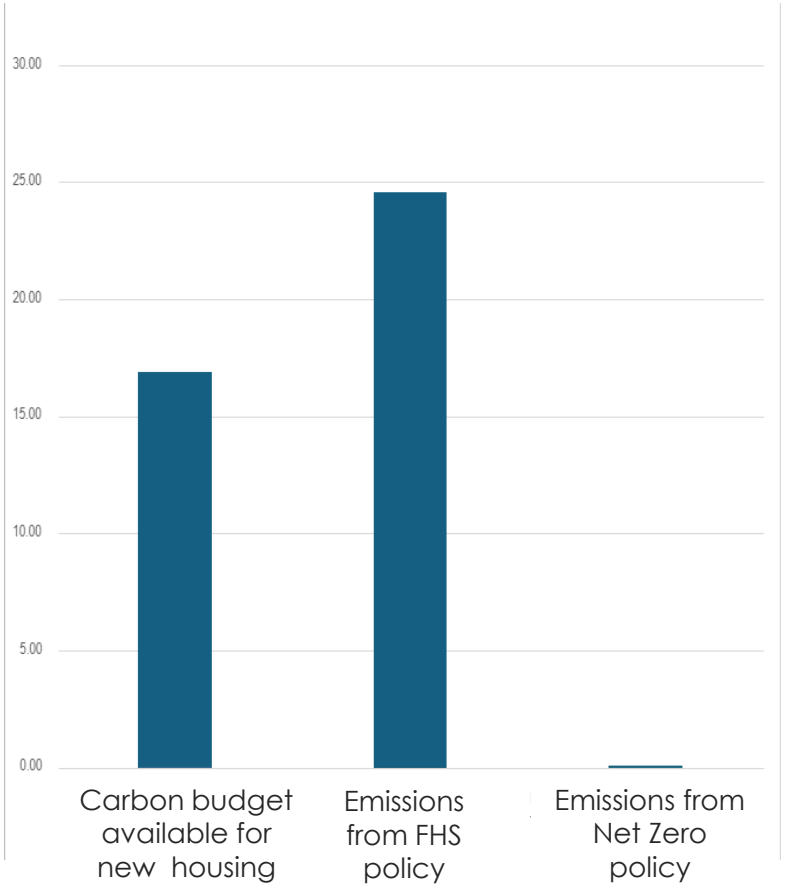
PM13 would risk Local Authorities exceeding local carbon budgets

Research undertaken by Bioregional to support multiple English local plans has assessed whether different new-build housing standards are compatible with local housing sector carbon budgets derived from the UK's carbon budgets.[1]

Across this research, homes built to the (anticipated) Future Homes Standard (FHS) were found to retain residual operational emissions that exceeded the carbon budget available for new housing.

The adjacent graph shows the carbon budget available for new housing alongside the total operational emissions from new homes delivered under different policy scenarios. It indicates that the (anticipated) Future Homes Standard would lead to residual emissions that exceed the limited carbon budget available for new housing.

By contrast, a net zero, energy-based policy would result in near-zero operational emissions from the homes built within its scope. This illustrates that, where Local Authorities can set standards beyond national minimums, new development can avoid adding to the area's overall carbon burden and better align with place-based carbon budgets.



New-build housing emissions (kilotonnes) under different policy standards compared to the available carbon budget for a local authority area in southern England.

1. Bioregional local area carbon budget assessments for English local plans. Carbon budgets are derived from UK legislated carbon budgets and apportioned to the housing sector; analysis covers operational emissions from new homes only (embodied carbon excluded).

PM13 will prevent the location specific assessments (e.g. climate)

Compliance with Part L of the Building Regulations in England and Wales is tested with SAP which uses a **single climate file (East Pennines) irrespective of the development's actual location**.

This means that the energy assessment of a new development (e.g. heating demand, renewable energy generation) does not reflect climatic differences such as heating degree days or solar irradiation.

A local energy standard enables the regional climate to be taken into account.

This is also true of other regional differences which may benefit from a local assessment in the future (e.g. carbon).