

E D G A R S

Warwick Net Zero Carbon DPD Regulation 18 Consultation Report

Warwick District

Prepared for: Warwick District

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1 Introduction

1.1 Edgars Planning Consultants and Bioregional Development Consultants are instructed by Warwick District Council (the Council) to prepare a report of the consultation responses received to the Net Zero Carbon Development Plan Document Consultation Draft July 2021 (Net Zero Carbon DPD). This report considers the representations received and makes recommendations with regard to the Council's response and amendments to the DPD.

Background

1.2 On 27th June 2019 Warwick District Council declared a climate emergency including commitments with regard:

- Becoming a net zero carbon organisation, including contracted out services by 2025
- Facilitating decarbonisation by local businesses, other organisations and residents so that total net carbon emissions within Warwick District are as close to zero as possible by 2030
- Engaging with and listening to all relevant stakeholders including members of the Warwickshire Youth Parliament, and setting up the Climate Change Peoples Inquiry, regarding approaches to tackling the climate emergency

1.3 Following this, the Council adopted a Climate Emergency Action Programme at its meeting in February 2020. The Action Programme included a strong recognition of the important influence of planning in tackling climate change including the following areas for possible action:

- Ensure that the planning system, led by the Local Plan, sets developments and land use standards aimed at reducing carbon emissions and building sustainable communities
- Develop and implement policies that will deliver improved net zero carbon building standards - subject to national policy
- Ensure carbon reduction features and BREEAM standards are included in major development schemes

- 1.4 The Warwick District Local Development Scheme 2021 identifies a three-year programme for the review and preparation of planning policies. The preparation of a 'Climate Change and Sustainable Buildings DPD' is included in the Local Development Scheme 2021 as a priority for delivery in the years 2021-2023.
- 1.5 The Local Development Scheme also identifies that the Council will be preparing a new South Warwickshire Plan for adoption in 2025. The South Warwickshire Local Plan will be a new strategic Local Plan prepared jointly across Warwick District and Stratford District.
- 1.6 It is acknowledged that whilst a comprehensive new South Warwickshire Local Plan (SWLP) is under preparation, the Council's declared Climate Emergency and Action Plan requires policies to deliver net zero carbon building standards to be developed and implemented as quickly as possible. Edgars and Bioregional are supportive of this approach and are assisting in delivering against this aim.

Local Plan Regulations

- 1.7 It is the local authority's statutory duty to ensure that its Development Plans Documents are up to date and provide a vision and framework for future development in the area. Under Section 38(6) of the Planning and Compulsory Purchase Act 2004 *'To the extent that development plan policies are material to an application for planning permission the decision must be taken in accordance with the development plan unless there are material considerations that indicate otherwise'*.
- 1.8 The Development Plan in Warwick District currently includes:
 - Warwick District Local Plan 2011 – 2029 (adopted 20 September 2017)
 - Made Neighbourhood Plans¹
- 1.9 The Net Zero Carbon DPD upon adoption will form an additional part of the development plan for Warwick District alongside existing development plan policies (unless they are specifically replaced by the Net Zero Carbon DPD).
- 1.10 Regulation 18 of The Town and Country Planning (Local Planning) (England) Regulations 2012 states that in the preparation of a Local Plan:

18. (1) A local planning authority must—

(a) notify each of the bodies or persons specified in paragraph (2) of the subject of a local plan which the local planning authority propose to prepare, and

¹ [Neighbourhood plans - Warwick District Council \(warwickdc.gov.uk\)](https://www.warwickdc.gov.uk)

(b) invite each of them to make representations to the local planning authority about what a local plan with that subject ought to contain.

(2) The bodies or persons referred to in paragraph (1) are—

(a) such of the specific consultation bodies as the local planning authority consider may have an interest in the subject of the proposed local plan;

(b) such of the general consultation bodies as the local planning authority consider appropriate; and

(c) such residents or other persons carrying on business in the local planning authority's area from which the local planning authority consider it appropriate to invite representations.

(3) In preparing the local plan, the local planning authority must take into account any representation made to them in response to invitations under paragraph (1).

Under Regulation 22 a statement is required setting out

i) which bodies and persons the local planning authority invited to make representations under regulation 18,

(ii) how those bodies and persons were invited to make representations under regulation 18,

(iii) a summary of the main issues raised by the representations made pursuant to regulation 18,

(iv) how any representations made pursuant to regulation 18 have been taken into account.

1.11 This consultation report has been prepared to assist Warwick District Council to demonstrate compliance with Regulations 18 and 22.

Structure of this Document

- Section 2 summarises the Consultation Procedure: how and which bodies and persons were invited to make representation on the scope of the DPD.
- Section 3 provides a breakdown of the representations
- Section 4 summarises the main issues arising from the representations and makes recommendations to the Council on how to address these issues
- Section 5 concludes with a summary of recommendations and next steps.

2 Consultation Procedure

- 2.1 Warwick District Council commenced a Regulation 18 consultation on the Draft Net Zero Carbon Development Plan Document (DPD) on the 26th July 2021 for a period of 7 weeks until 13th September 2021.
- 2.2 The draft DPD was made available online, or through a downloaded PDF version. Consultation comments could be made using an online consultation portal (Opus Consult), via email to the planning policy team, or in writing to the planning policy team at Warwick District Council's Offices.
- 2.3 The Regulation 18 consultation was made in accordance with Warwick Statement of Community Involvement (SCI) Updated in April 2020.
- 2.4 Statutory consultees were contacted at the start of the consultation for their feedback, the list of statutory consultees is noted in the SCI – [available here](#). The consultation period was set at 7 weeks to account for the summer holiday period.
- 2.5 The following supporting documents were also provided on District Council's website:
 - Climate Change Viability Assessment Report
 - Sustainability Appraisal Non-Technical Summary
 - Sustainability Appraisal / Strategic Environmental Appraisal / Habitats Regulation Assessment (SA/SEA/HRA)
 - SA/SEA/HRA Screening Response - Natural England
 - SA/SEA/HRA Screening Response - Historic England
- 2.6 Individual consultation comments have been collated and anonymised, while statutory consultees and organisations have been included in full.
- 2.7 For the avoidance of doubt responses from Historic England were in response to the SEA screening request, and not in direct response to the Draft DPD submitted for consultation.

3 Representations summary

The Regulation 18 consultation received:

- 85 responses received in total (some people have submitted more than one representation)
- 43 number of respondents in total
 - Of this, 17 respondents are from organisations
 - And 26 are individual respondents

3.1 Figure 1 provides an overview of the position of respondents, out of the total number of respondents (85) there were 39 comments in support of the DPD, 17 noting objections, 18 mixed comments, 5 which were unable to be categorised (contained textual/reference amendment), and 4 which were unclear.

3.2 Figure 2 provides an overview of the themes we have identified from the respondent's comments.

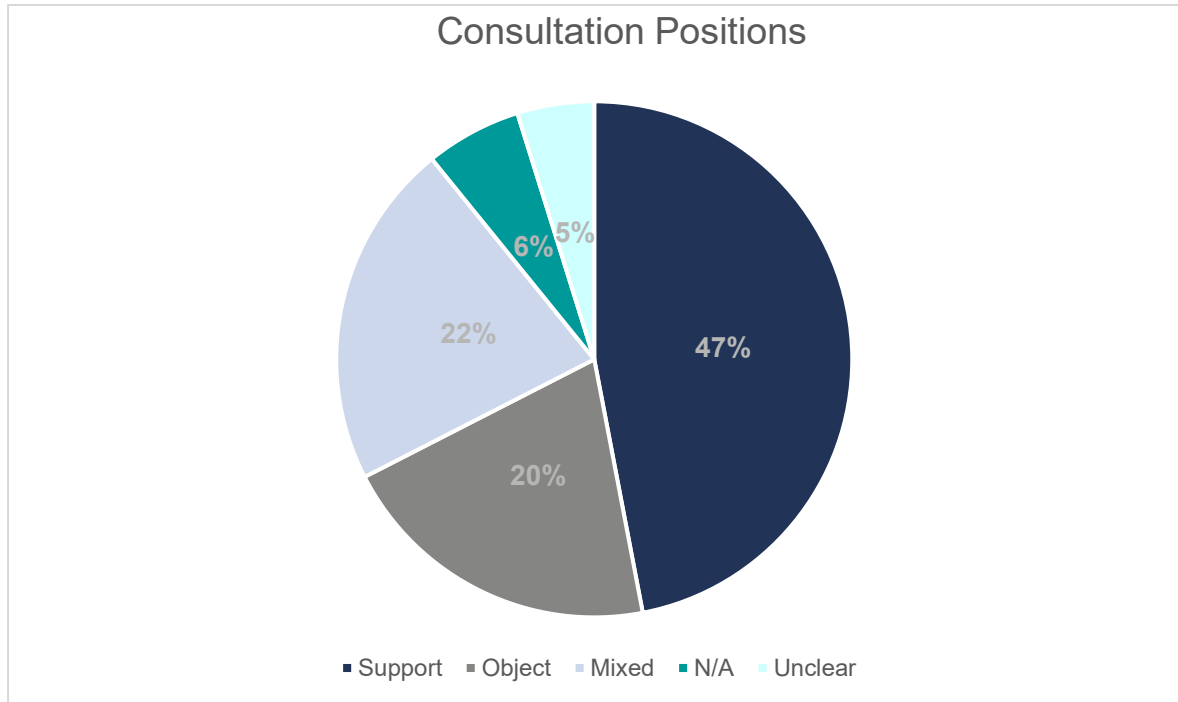


Figure 1: Consultation Overview

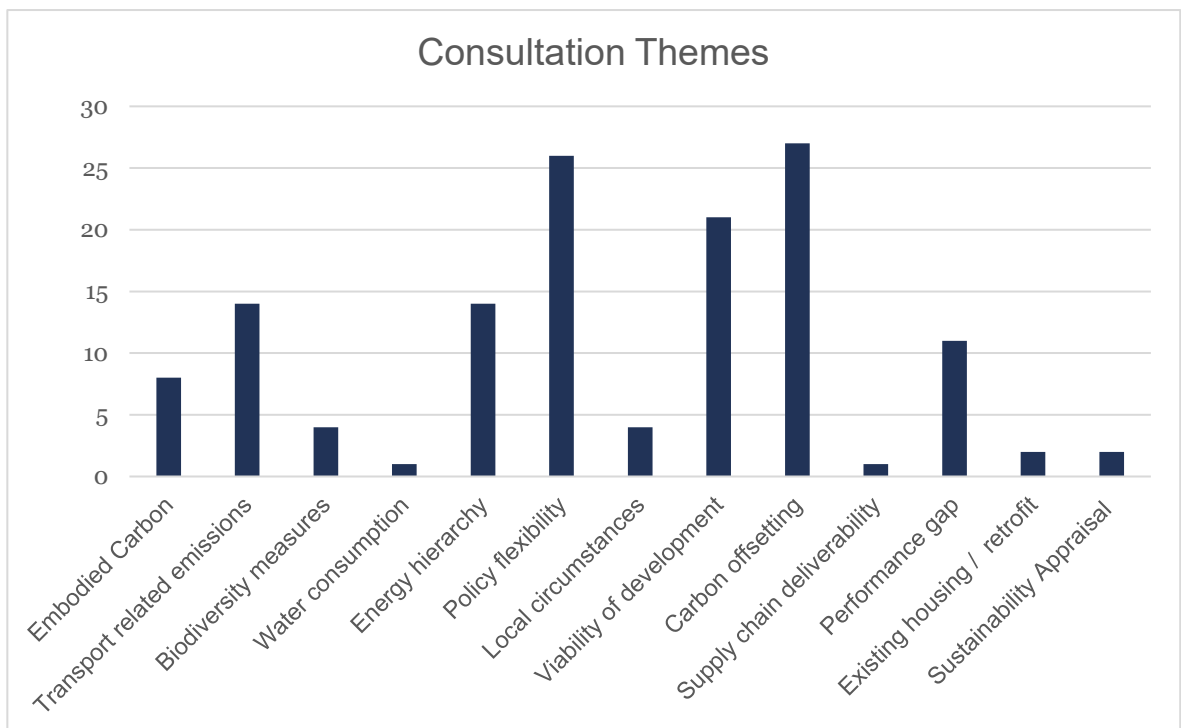


Figure 2: Consultation Theme Summary

4 Consultation Representations and Key Themes identified

- 4.1 The consultation received a greater number of comments in support of the DPD over comments objecting, with the majority of respondents acknowledging the need for action to reduce the carbon footprint of new development and lessen the contribution to the causes of climate change. Where comments were of 'mixed' feedback, most of these still supported the goals of net zero carbon but wanted the policies to be more effective, forceful, or have clearer means for implementation. The Local Authority, supported by Edgars and Bioregional, thank and share the respondents desire to implement the aims of the Net Zero Carbon DPD.
- 4.2 Notwithstanding the supportive representations received, this section summarises the key issues and points of objection (or points for improvement) raised through the comments to the consultation under a number of themes.
- 4.3 Through the representations, the following key themes were identified.
- **Embodied Carbon (construction materials)***
 - **Energy Hierarchy***
 - **Carbon Offsetting***
 - **Supply chain deliverability***
 - **Performance gap / enforceability***
 - **Transport related emissions**
 - **Existing buildings/retrofit***
 - **Biodiversity measures**
 - **Policy flexibility**
 - **Local circumstances**
 - **Viability of development**
 - **Sustainability Appraisal**
- 4.4 The individual representations and proposed responses can be found at the end of this document. Individual representations are also available on the Council's consultation portal.² The themes identified from the consultation representations are cross-referenced within the table. The response to the issues identified within these themes is presented below.
- 4.5 *To assist in responding to the issues identified, Bioregional were instructed by Warwick District Council to undertake an Energy and Sustainability Policy Review. Their report can be read alongside this summary and considers in particular those themes marked identified with * above. The review has helped shape the response to the issues identified.

² [Warwick District Council - Net Zero Carbon Development Plan \(oc2.uk\)](https://www.warwick.gov.uk/oc2/uk)

Embodied Carbon (construction materials)

- 4.6 Several comments highlight that the proposed policies should also include a calculation and measurement of the embodied carbon through the production, transportation and construction phase of the development.
- 4.7 The policies of the Net Zero DPD Consultation Draft 2021 focus on the operational emissions leading from development and through Policy NZC2(A) outlines the target for operational efficiency at 75% over and above the 2013 building regulation standards.
- 4.8 Local planning policy should contain policies that are aspirational but deliverable and be unambiguous so it is clear how a decision maker should react to development proposals such that they are implementable. The process of accounting for embodied carbon is complex and specialist input is often required to ensure that an accurate calculation has been made. In the current circumstances, the availability and cost of assessors and methodologies for embodied carbon measurement could affect the viability of the Net Zero Carbon DPD policies on all scales of development included in the DPD, particularly at an individual dwelling level.
- 4.9 The scale at which embodied carbon assessments could be applied to different scales of development was considered in response to the public consultation and the average cost of assessment fed into the viability testing. Embodied carbon assessments were deemed impracticable for small scale developments, however for major residential and commercial developments these assessments were deemed feasible and viable.

Proposed changes to the DPD

- New policy (NZC 3) for embodied carbon assessments on major development which illustrates how the embodied carbon of proposed materials and construction methods have been considered and reduced where possible.
- This new policy also includes the provision of a whole-life carbon assessment of materials on developments >50 dwellings, or 5,000sqm of commercial floorspace.

Energy Hierarchy

- 4.10 As a cross over with concerns over carbon offsetting, there were comments made against the potential reliance of carbon offsetting as a tool to mitigate residual operational carbon emissions.
- 4.11 The Net Zero Carbon DPD Consultation Draft 2021 policies imply a sequential approach to reducing carbon in development as set out by Policy NZC1. The steps of the hierarchy are further defined and requirements are made under each stage of the hierarchy, these are illustrated below:

- NZC2(A) Making buildings more energy efficient
- NZC2(B) Zero or low carbon energy sources
- NZC2(D) Zero-carbon ready technology
- NZC2(D) Carbon offsetting

4.12 It is acknowledged that the final stage of the energy hierarchy – offsetting, is the least desirable outcome for ensuring that a development makes a tangible and lasting impact in reducing carbon emissions. However, to accord with national planning policy, planning policies must also be feasible and viable and as such include some flexibility and therefore, policy NZC2(D) is necessary.

4.13 Improving the energy efficiency of new homes and buildings is the most cost-effective way to minimise the new infrastructure that will be required to achieve a zero-carbon energy system.

4.14 Given the urgency and the timing of the DPD it is recommended that the sequential approach of Policy NCZ1 is made more explicit in the policy and that targets are set within the policy for on site carbon reduction, energy efficiency and zero or low carbon energy. This approach, used in several other local plans, ensures that reasonable steps have been taken to reduce the energy use and carbon emissions on site before resorting to offsetting.

4.15 In reference to the programme of consultation and examination of this DPD, it is deemed prudent to consider changes to building regulations to ensure that the DPD, once adopted, applies to the most up to date standards. For this reason it was considered sensible to apply the overall target emission reductions on the 2021 building standards (interim uplift) rather than on 2013 standards, as these would be in force at the likely time of adoption.

Proposed changes to the DPD

- Sequential approach to the energy hierarchy made explicit within Policy NZC1 and through the supporting text.
- Minimum on site carbon reduction targets included in Policy NZC1, and performance targets for the energy efficiency through policy NZC2(A) and zero and low carbon energy sources and technology through policy NZC2(B) to ensure appropriate carbon emission reductions are delivered at each these stage of the energy hierarchy. These are expressed as a % reduction in carbon emissions per stage of the hierarchy³. For new dwellings the proposed on-site carbon reductions reflect the fabric efficiency

³ For example, stating that before offsetting can be used, a new dwelling must first achieve at least a 63% carbon reduction on site (compared to 2021 building regulations) through fabric efficiency and then low or zero carbon heating sources and renewable energy (these percentages are illustrative only)

standards at least in line with the 2025 version of Part L that has been released indicatively by the government (The Future Homes Standard)

- Policies and supporting text amended to refer to the uplift to Building Regulations Part L 2021.

Carbon Offsetting

4.16 As noted in the preceding section on the energy hierarchy, numerous comments drew attention to the undesirability of a mechanism to offset carbon emissions off-site. To provide greater details on the concerns raised, we have summarised the key issues as:

- Carbon offsetting appearing as greenwashing
- Transparency and accountability of carbon offsetting payments and schemes
- Location and timing of offsetting schemes being of benefit to local communities and Warwick District.
- Reliance on tree planting (not removing carbon as fast as the building emits it)
- Responsibility and credibility of developers
- Enforcement and accountability of the Local Authority
- Calculation methodology for 'cash in lieu contributions'

4.17 It is prudent to reiterate that to accord with national planning policy, local planning policies must be feasible and viable and as such include some flexibility. The inclusion of the mechanism for offsetting under policy NZC2(D) is therefore a necessary requirement.

4.18 The application of the energy hierarchy would mean that carbon offsetting is only an option as a final resort. Offsetting is proposed to be achieved through Section 106 payments (offsets) through the policy NZC2(D) as a cash in lieu contribution or a verified local offsetting scheme.

4.19 To facilitate the cash in lieu contribution the District Council has set up a Carbon Offsetting Fund and will provide supplementary planning guidance on how contributions to the carbon offsetting fund will be utilised to enable net-zero carbon. Monitoring of the fund will be included in the Authority Monitoring Report and thus provide transparency to the number and amount of contributions made and the projects being funded. In addition, the Fund's progress will also be monitored and reviewed in line with the District Council's Climate Emergency Action Programme.

4.20 In respect of the projects funded under the District's Carbon Offsetting Fund, the stipulation of the exact nature of the schemes is not feasible in the Net Zero Carbon DPD and would be the subject of supplementary planning guidance. This would allow funds to be directed at the most beneficial schemes, accounting for variation in timescales, locations and technology. These projects should be assessed against deliverability, measurability and

reversibility of their carbon savings. For example, tree planting may play a small role in this (in which case registration would be required under the Woodland Carbon Code for credibility and national recognition of the carbon saved), but it is not expected that this would be the main kind of project funded through offsets.

4.21 The choice of offsetting mechanisms presented under NZC2(D-1&2) provides a sufficient degree of choice in the delivery of the offsets, without the pitfalls which can occur with schemes into which neither the developer nor the District Council has direct visibility - such as if spent on schemes beyond the boundaries of the UK. The wording of the policy, therefore, secures benefits for the local community and Warwick District as offsetting is secured and delivered through the District Council.

4.22 Notwithstanding the point above, the location and timescales of offsetting are a relevant consideration that will be addressed in the supplementary planning guidance which will support the District's Carbon Offsetting Fund. It is recommended that this document includes consideration to the location of offsetting schemes through a hierarchy of offset locations and the timescales in which an offsetting scheme needs to deliver its carbon savings. A further example of how a locational hierarchy may be set out is below:

- i. within walking distance of the site (if the scheme is tree planting, and only if existing public green space has been lost due to the development);
- ii. within Warwick District boundaries (to contribute to the overall goal of a net zero carbon Warwick);
- iii. Within Warwickshire and neighbouring authorities;
- iv. within the UK, and never overseas (to contribute to the achievement of the UK's legally binding net zero carbon goal).

*Tier iv should only be used if points i-iii are demonstrably impossible.

4.23 The transparency of decision making would be clear through the requirement and publication of energy statements on development proposals and in turn the calculation of cash in lieu contribution secured through a Section 106 Agreement. Planning decisions would reference the degree to which the development accords with development plan policies (once the Net Zero Carbon DPD is adopted) as part of the officers delegated reporting functions.

4.24 There would need to be identification and calculation of the offsetting amount for viability purposes. This must be priced so that the offset fund can be used on projects to deliver the same amount of carbon savings that was offset. This could be done in one of two ways:

- a) Evaluating the cost of projects in the district or county that would deliver measurable carbon savings and setting the price of CO₂ offsets in relation to the average cost to

deliver 1 tonne of carbon savings across a range of these projects. This could be an extensive exercise.

- b) Setting the price per tonne of CO₂ to reflect the nationally recognised non-traded price of carbon as set by the Treasury Green Book (as of 2021 [this is](#) £120, £241 or £361).⁴ The fund would then need to deliver a range of projects that may be more or less expensive, so long as the average cost (per tonne of carbon saved) is the same as that charged to the developer.

Proposed changes to the DPD

- Sequential approach to the energy hierarchy made explicit within Policy NZC1 so that offsetting is the last option, by requiring minimum achievements in earlier steps before offsetting will be considered an acceptable solution
- The location of 'local off-site offsetting schemes' has been clarified as Warwickshire and neighbouring authority Coventry to provide sufficient flexibility for potential offsetting schemes
- The policy refers to a set standard of calculating the carbon price, determined by using the central figure from the Treasury Green Book data from BEIS.
- The amended policy now has due regard to any residual emissions identified through the performance gap assessments (undertaken at the planning design stage and pre-occupation). Included in the policies and supporting text are industry-standard methodologies for design and as-built energy modelling with explanation of the 'performance gap' realised post-completion and determined through 'assured performance testing'.
- Policy number change to reflect policy changes elsewhere in the DPD from NZC2(D) to NZC2(C)
- Clear definition of energy performance methodologies e.g. SAP and SBEM which are included in the amended policies; and referenced in the glossary and supporting text.

Supply chain deliverability

4.25 A small number of comments highlighted the practical implications of the policies on the construction industry and supply chains, noting the Governments efforts through the Future Homes Standard to prepare the industry for zero carbon ready housebuilding through the

⁴ This was how the GLA set the London-wide minimum carbon offset price for the previous London Plan (at the time, this was £60) but it has been raised to £95 in the New London Plan.

interim uplift in part L building regulations (2021) and implementation of the Future Homes Standard in 2025.

- 4.26 The Net Zero Carbon DPD Consultation Draft 2021 through policy NZC2(B) requires that development proposals include an energy statement that demonstrates how zero, or low carbon sources of energy have been considered and incorporated. While this policy stipulates areas that require consideration, it does not mandate the inclusion of certain types of technology into a development, reflecting those solutions will differ across building types and scales.
- 4.27 Warwick District Council instructed Bioregional to prepare further evidence considering policy options for the DPD, the 'Warwick DC Zero Carbon DPD Energy and Sustainability Policy Review'.
- 4.28 The powers granted to Warwick District Council under the Planning and Energy Act enable local planning authorities to set energy efficiency standards greater than those laid out in national building regulations. Recent consultations on The Future Homes Standard has acknowledged that a transition period from 2022, at a national level, may be needed to upskill the entire country's construction sector in readiness to universally implement those standards, but the skills to implement such highly energy-efficient homes already exist in the industry at the scale required to deliver these standards, as only a handful of local authorities are implementing this in advance of 2025.
- 4.29 This is especially true for fabric energy efficiency, in which great gains can be made simply by installing more or better versions of the insulation that is already installed today. By encouraging and requiring developers to immediately achieve similar on-site carbon reductions to those laid out in the indicative Future Homes Standard, the District Council is making Warwick into a place where developers will become familiar with implementing such a standard in advance of 2025 and will be more ready for the nationwide implementation of the Future Homes Standard from 2025 onwards.
- 4.30 In reference to the programme of this DPD, it is considered prudent to include imminent changes to building regulations to ensure that the DPD, once adopted, applies to the most up to date standards. The interim uplift in building regulations in 2022 will help to instigate industry wide improvements to construction materials and products, supply chain and labour availability, and low or zero carbon technologies which further support the aims and objectives of the DPD's policies.

Proposed changes to the DPD

- The policies have been updated to reflect the imminent introduction of changes to the building regulations (Part L 2021).
- Additional evidence accompanies the DPD in the form of the Bioregional Warwick DC Zero Carbon DPD Energy and Sustainability Policy Review

Performance gap (enforceability)

- 4.31 Several comments and questions related to the measurement of energy efficiency and energy performance under policy NZC2(A) of the Consultation Draft 2021.
- 4.32 Policy NZC2(A) of the Consultation Draft 2021 requires that developments demonstrate energy efficiency in design, and in operation of 75% over and above 2013 building regulation standards. The methodology for this is related to the Governments SAP Procedure. To ensure the DPD is up to date upon adoption, it is considered prudent to use the latest SAP calculation methodology (SAP 10.2), and also to set standards against 2021 Building Regulations (the uplift between 2013 Building Regulations and the Future Home Standards due in 2025) to which SAP 10.2 relates.
- 4.33 The thrust of the policy is to ensure the proposed building energy performance design as approved at application is achieved at construction. Any additional emissions over and above those identified at the design stage using the Standard Assessment Procedure (SAP) or Simplified Building Energy Mode (SBEM) should be included in the offsetting procedure NZC2(D).
- 4.34 The 'performance gap' is identified post-construction through onsite assured performance testing such as thermographic survey, air tightness testing and u-value testing. The 'energy performance gap' between design stage carbon emissions and those calculated post construction (pre-occupation) should be rectified on site or included in the carbon offsetting procedure.
- 4.35 The DPD policies only relate to regulated energy in this regard, which results from fixed building services and fittings (space heating, cooling, hot water, ventilation and lighting) and is assessed through SAP or SBEM calculations.
- 4.36 The reason for this is that the limitation of industry approved energy modelling software calculates regulated emissions only and does not include those unregulated emissions in operation.
- 4.37 The DPD therefore requires an assessment of the regulated energy performance gap between the design stage and post completion, through the mechanism of imposing a pre-occupation condition incorporating a reassessment of the SAP or SBEM calculations, air permeability testing, thermographic surveys and logbooks. These measures are deemed necessary and are accepted to be the most efficient methods to capture any difference between the designed and built structure.
- 4.38 The policies intend that this mechanism for securing building standards is transparent to the public, through necessary discharge of conditions on applications and if required the offsetting mechanism set out in NZC2(D), which for reasons noted above also provides transparency to the public on contributions to the carbon offset fund.

Proposed changes to the DPD

- Clarification added in the Aims and Objectives of the DPD that it relates only to carbon emissions resulting from energy use in buildings known as regulated energy, which results from fixed building services and fittings (space heating, cooling, hot water, ventilation and lighting) and is assessed through SAP or SBEM calculations
- The supporting text to policy NZC1 sets out the planning mechanism and timings to measure the performance gap, and the methodologies that are acceptable (SAP, SBEM PHPP).

Transport related emissions

4.39 Several comments highlight that the proposed policies should also include measures that address carbon emissions resulting from transport use in new developments, specifically in relation to:

- The spatial location of development
- Provision of public transport
- Provision for active travel (cycling and walking)
- Provision for electric vehicle charging points

4.40 This is an important topic for Warwick District to consider in their ambition to be net zero. The carbon emissions resulting from transport may dwarf the emissions from energy use in an efficient new building if the location and design of new development encourage unsustainable travel patterns such as driving.

4.41 Local Plan policies can influence travel patterns to achieve more sustainable travel through addressing the matters identified above. Matters including the spatial location of the development, public transport provision and provision for active travel, are addressed through existing policies within the development plan, notably the Warwick District Local Plan. In addition to the adopted development plan, new frameworks across the District are emerging: the SWLP which has climate change as a key principle and the County Council's Local Transport Plan 4.

4.42 These matters largely fall outside of the scope of the Net Zero Carbon DPD which relates to new building energy performance. It is recommended that the scope of the DPD be made clearer within the introductory sections in this regard. Provision for electric vehicle charging points is already required through Local Plan TR1(d) of the local plan and expanded upon within the Parking Standards SPD. It is noted that in testing the viability of the policies an electric vehicle charging point for all new dwellings was assumed.

Proposed changes to the DPD

- Clarification added in the Aims and Objectives of the DPD that it relates only to carbon emissions resulting from energy use in buildings known as regulated energy, which results from fixed building services and fittings (space heating, cooling, hot water, ventilation and lighting) and is assessed through SAP or SBEM calculations

Existing buildings /retrofit

- 4.43 Comments raised concern with regard to the lack of policies to address existing buildings including the existing housing stock.
- 4.44 The concern is noted as the existing building stock is much larger and less energy efficient, therefore having far greater energy and carbon impact than new buildings. This concern is correct and valid.
- 4.45 The policies in the Net Zero Carbon DPD can however only apply to new development and those conversions/refurbishments which require planning permission within the remit of the Town and Country Planning Act. The policies cannot, therefore, apply to the existing building stock where there are no proposals for new development or conversions/refurbishment that do not require planning permission.
- 4.46 The types of new development to which the Net Zero Carbon DPD policies apply are set out in paragraph 5.4 of the July 2021 Consultation draft and include:

The policies in this plan will apply to the following new developments:

- a) All new residential developments of 1 dwelling or more*
- b) Other new residential buildings with a floor area over 30 square metres (or 15 square metres if it includes sleeping accommodation) which require planning permission and which will be physically separate from the main dwelling (for instance domestic outbuildings) or which will or could be used separately from the main dwelling*
- c) Where planning permission is required, change of use or conversions to residential or commercial uses*
- d) All new non-residential buildings.*

- 4.47 The scope of Consultation Draft 2021 the policies is very wide and includes existing buildings where a change of use to residential or commercial uses is proposed.
- 4.48 The ambition of the policy to ensure that the energy performance of existing buildings is addressed when a change of use is proposed is commended. This must however also be considered with regard to the viability of development, as noted under the Viability theme

heading. Existing buildings will often have a high land use value and are therefore typically less likely to be able to accommodate additional development costs. The feasibility of achieving the proposed carbon reductions through fabric efficiency and renewable and low carbon energy use is also more complex.

- 4.49 A new policy relating only to existing buildings is proposed. This address the concerns over feasibility and viability in applying the same standards as new build developments while adding positive weight to developments which include low carbon energy sources, technologies and reduces the energy consumption of existing buildings.
- 4.50 The applicability of the policies currently set out within the supporting text in paragraph 5.4 of the July 2021 consultation draft are a key element of the policy. The threshold of development, to which Policies NZC1 and NZC2 apply, has been reviewed as part of the consultation response and is clarified in NZC1 and through the new policy on existing buildings.

Proposed changes to the DPD

- Policies NZC1 and NZC2 (A, B and C) amended to clearly set out the types of development to which these policies apply in
- New policy NZC 4 for existing buildings

Biodiversity measures

- 4.51 Comments identified that the policies should include provisions for supporting wildlife in a new development or offsetting the loss of habitat resulting from new development.
- 4.52 Wildlife and biodiversity are essential elements of sustainable development but are considered by other policies in the Local Plan.
- 4.53 Further clarification is added in the Aims and Objectives of the Net Zero Carbon DPD to identify it relates only to in-use carbon resulting from energy use in buildings. When writing the separate SPD on offsetting, it is recommended that if afforestation schemes are part of this, biodiversity benefits should be delivered alongside carbon benefits (which must be verified).

Recommended changes to the DPD

- Clarification added in the Aims and Objectives of the DPD that it relates only to carbon emissions resulting from energy use in buildings known as regulated energy, which results from fixed building services and fittings (space heating, cooling, hot water, ventilation and lighting) and is assessed through SAP or SBEM calculations

Policy flexibility

4.54 A number of comments were supportive of the intent of the DPD policies but raised concern with regard to wording allowing some flexibility in the policies to account for situations where addressing the requirements of the policies is unviable or impractical.

4.55 This appears in Policy NZC2(B) Zero or Low Carbon Energy Sources of the Consultation Draft 2021:

Proposals for new development must include an energy statement which demonstrates that zero and low carbon sources of energy have been considered and, where possible, incorporated or utilised in the development....

Alternatives to fossil fuels (such as heat pumps) should be used for heating in all housing unless the costs or configuration of the development can be demonstrated to make this unviable or impractical

4.56 Policy NZC2(E) Viability of the Consultation Draft 2021 is a separate policy that states that:

Where the nature or location of the site (for instance impact on the significant heritage assets) means that complying with the requirements of this DPD can be demonstrated to result in a development proposal becoming unviable, Policy DM2 of the Local Plan will apply.

4.57 A number of comments have suggested that the wording in the policies that allow some flexibility, such as 'where possible' and 'where practical and viable' means that the policies are not strong enough. Comments suggest that such references should be removed and that development should be required to be net zero or it will not be permitted.

4.58 Under National Planning Policy (NPPF) the DPD will be tested for soundness at an independent examination. Paragraph 35 of the NPPF sets out the tests of soundness the plan must meet. These include:

35d) Consistent with national policy – enabling the delivery of sustainable development in accordance with the policies in this Framework and other statements of national planning policy, where relevant.

4.59 NPPF Paragraph 157 states:

In determining planning applications, local planning authorities should expect new development to:

- a) *comply with any development plan policies on local requirements for decentralised energy supply unless it can be demonstrated by the applicant,*

having regard to the type of development involved and its design, that this is not feasible or viable;

- 4.60 National planning policy requires that planning policies are aspirational but deliverable (NPPF para 16 b)).
- 4.61 Having regard to national policy it is a requirement that policies contain some flexibility to account for where the application of the Net Zero Carbon DPD policies is not feasible or viable.
- 4.62 It is proposed that consistent wording is used throughout the policies that reflect that within NPPF paragraph 157 that new development should comply with the Net Zero Carbon policies unless this is demonstrated having regard to the type of development involved and its design, that this is not feasible or viable.
- 4.63 The feasibility of complying with the policies can be robustly assessed and tested through the provision of an Energy Statement (as required by Policy NCZ1).
- 4.64 With regard to Consultation Draft 2021 Policy NCZ2(E) Viability, the policy cross refers to Adopted Local Plan Policy DM2. Policy DM2 refers specifically to Viability and requires a detailed Viability Assessment where proposals are unable to comply with policies in the Local Plan. Edgars support the cross-reference to Policy DM2 which would apply to the Net Zero Carbon DPD policies. The cross-reference to Policy DM2 may be included in the supporting text but is not required to be a policy in itself.

Proposed changes to the DPD

- Policies NZC1, NZC2A, NZC2B and NC2C updated to ensure wording consistent with national planning policy and retain flexibility within the policies to account for instances where complying with the policies is not feasible or viable having regard to the type of development involved and its design. The policy wording requires that where full compliance with the policies is not feasible or viable proposals must demonstrate through the energy statement that additional renewable, zero and low carbon energy technologies have been provided to the greatest extent feasible and viable.
- Policy NZC2 (E) removed but cross reference to adopted Local Plan Policy DM2 reference to requirements that viability will be robustly tested in accordance with Policy DM2.

Local justification for exceeding Government standards circumstances

- 4.65 Some comments, including from the House Builders Federation (HBF) and Taylor Wimpey, suggest that there is no need to set local energy efficiency standards to achieve the shared

net zero goal because of the higher levels of energy efficiency standards for new homes proposed in the 2021 Part L uplift and the Future Homes Standard 2025.

4.66 It is further suggested that the Council has not prepared any evidence justifying the policies which exceed the energy efficiency requirements and proposed improvements through national building regulations.

4.67 The local justification for the Net Zero Carbon DPD is presented in Sections 1 and 2 of the July 2021 Consultation draft. This highlights:

- The IPCC Intergovernmental Panel 2018 report on climate change on the state of global warming and subsequent reports on progress in carbon emissions and the limited carbon budget remaining to avoid the worst impacts
- The Committee on Climate Change reports that 40% of UK greenhouse gas emissions come from households and recommends that to reach the UK's legally binding carbon budgets and net zero target, new homes' heat demand should be limited to 15-20kWh/m²/year (much lower than the figure that would result from minimum compliance with current building regulations)
- The UK's international commitment via the Paris Agreement to play its full role in reducing carbon emissions to an extent that would limit climate change to no more than 2°C and pursue a limit of 1.5°C
- The UK legally binding target for net zero emissions by 2050 and a 78% reduction by 2035, and interim legislated five-yearly carbon budgets between now and the net zero date
- The Government's strategy is to cut greenhouse gas emissions through incoming updates to building regulations and the Future Homes Standard.
- The provisions within the Planning and Energy Act 2008 which mean local planning authorities retain powers to set local energy efficiency standards for new homes, and recent government response to the Future Homes Standard consultation confirming that there is no intent to remove this power at least in the immediate term
- The Council's declared Climate Emergency and Climate Emergency Action Programme to bring the whole local authority area as close as possible to net zero total carbon emissions by 2030
- Warwick District is responsible for 1,259,600 tonnes of CO₂e per year (based on 2017 Scatter figures) of which around 40% arises from buildings.

4.68 There is clear evidence of the need to reduce greenhouse emissions as a result of new buildings to address international, national and local climate change commitments and that

the Building Regulations do not yet act sufficiently strongly to achieve the necessary reductions. This justifies the Net Zero Carbon DPD policies.

- 4.69 Through its Climate Emergency Action Programme the Council has prepared additional evidence including the Anthesis report – South Warwickshire Climate Action Support Report June 2021. Further, Warwick District Council instructed Bioregional to prepare further evidence considering policy options for the DPD - the Warwick DC Zero Carbon DPD Energy and Sustainability Policy Review. This evidence now accompanies the DPD.
- 4.70 Comments suggest that the Council should implement mitigation measures that follow the Government’s programme as set out in building regulations.
- 4.71 Comments also refer to the way ‘building regulations’ are stated in the DPD, noting that reference to these would be out of date once the Future Homes Standard is implemented. Due to the imminent 2021 interim uplift in Building Regulations, and the probable timing of the adoption of the DPD, the DPD policies have been updated with reference to the 2021 Building Regulations. The 2021 uplift to Part L will not be as high as the proposed standard, therefore the Warwick District Council requirements would continue to apply at least until the full Future Homes Standard.

Proposed changes to the DPD

- Additional evidence accompanies the DPD in the form of the Anthesis – South Warwickshire Climate Action Support Report June 2021 and Bioregional Warwick DC Zero Carbon DPD Energy and Sustainability Policy Review
- The following points have been added to the supporting text to bolster the justification for the DPD by offering evidence that the UK’s current rate of carbon reductions, including those that would be achieved by existing national building regulations, would be not enough to stay within the UK’s legislated carbon budgets, get to net zero by 2050, or avoid the worst impacts of climate change:
 - IPCC subsequent reports (after 2018) on progress in carbon emissions and the limited carbon budget remaining to avoid the worst impacts of climate change
 - The UK’s interim legislated five-yearly carbon budgets which reduce significantly between now and the net zero 2050 date (which are devised by the Committee on Climate Change based on extensive evidence and industry analysis, and are then written into law by parliament)
 - Committee on Climate Change latest reports showing ([link](#)) that nation-wide policies (including current building regulations) are not enough to deliver the UK’s legally binding carbon budgets in coming years

- Committee on Climate Change recommendation ([link](#)) that that to reach the UK's legally binding carbon budgets, new homes should be designed to have a heat demand of only 15-20kWh/m²/year (which is much lower than the figure that would result from minimum compliance with current building regulations)
- The recent government response to the Future Homes Standard consultation confirming that there is no intent (at least in the immediate term) to remove local planning authorities' power under the Planning and Energy Act to require energy efficiency standards that are tighter than those in national building regulations
- The UK's international commitment via the Paris Agreement to play its full role in reducing carbon emissions to an extent that would limit climate change to no more than 2°C and pursue a limit of 1.5°C

Viability of development

4.72 Representations have been made with regard to the impact of the Net Zero Carbon DPD policies on the viability of development. This includes challenges to the assumptions within the BNP Paribas Viability Study in June 2021; comments have been made by developers including Taylor Wimpey and Barwood Land and organisations representing developers including the Home Builders Federation.

4.73 The comments are included in full at the end of this report, but may be briefly summarised as:

- Detailed comments on the assumptions used in the Viability Study
- The cost of offsetting is not tested within the Viability Study
- Large strategic sites (over 300 dwellings) are not tested in the Viability Study
- The Viability Study indicates that the policies will have a negative impact on land values for residential development such that the policies are not viable in the majority of types of residential development tested in the Viability Study which fails to meet the viability tests of the NPPF
- That the Council should clarify the proportion of its housing land supply that falls into the typologies tested for viability to assess the impact of the policies on housing land supply.

4.74 Viability relates to the financial viability of development and that the costs relating to plan policies do not undermine the deliverability of planned development.

- 4.75 The NPPF paragraph 34 and NPPG provide the national policy and guidance on viability in the plan-making process. The NPPG states:

The role for viability assessment is primarily at the plan making stage. Viability assessment should not compromise sustainable development but should be used to ensure that policies are realistic, and that the total cumulative cost of all relevant policies will not undermine deliverability of the plan.

It is the responsibility of plan makers in collaboration with the local community, developers and other stakeholders, to create realistic, deliverable policies. Drafting of plan policies should be iterative and informed by engagement with developers, landowners, and infrastructure and affordable housing providers.

Policy requirements, particularly for affordable housing, should be set at a level that takes account of affordable housing and infrastructure needs and allows for the planned types of sites and development to be deliverable, without the need for further viability assessment at the decision- making stage.

It is the responsibility of site promoters to engage in plan making, take into account any costs including their own profit expectations and risks, and ensure that proposals for development are policy compliant. Policy compliant means development which fully complies with up to date plan policies. A decision maker can give appropriate weight to emerging policies. The price paid for land is not a relevant justification for failing to accord with relevant policies in the plan. Landowners and site purchasers should consider this when agreeing land transactions.

NPPG Paragraph: 002 Reference ID: 10-002-20190509

- 4.76 Edgars acknowledges that the price paid for land is not a relevant justification for not complying with plan policies. It is also accepted that the costs of development resulting from planning policies should not undermine the deliverability of the plan.
- 4.77 In this regard, it is of note that the Net Zero Carbon DPD policies are an additional layer of policies within the Local Plan and as such must be considered viable for the majority of typologies of development expected to come forward in the plan. There is otherwise a risk that the deliverability of the plan overall could be undermined.
- 4.78 The BNP Paribas Viability Study evidence has been reviewed and updated having regard to the detailed viability comments. A review and response to the consultation responses is included at Appendix 10 of the updated viability report.
- 4.79 The Viability Study evidence has been reviewed and updated to reflect the revised draft DPD policies. The cost uplift associated with the revised DPD policies has also been reviewed.

- 4.80 In reading the results, it is important to distinguish between development scheme typologies which are unviable prior to the NZC DPD policies being applied and those that become unviable after the NZC DPD policies are applied. Typologies that are unviable before the policies are applied are unlikely to come forward. This is particularly the case with flatted schemes (typologies 6, 7, 8 and 9) which are only viable in the highest value areas. This is consistent with the pattern of development; flatted schemes will generally only come forward in central urban areas where values are at the highest end of the tested range.
- 4.81 The results of the updated viability appraisals indicates that the majority of scheme typologies will remain viable but that some may not be able to meet the emerging NZC DPD policies alongside meeting the full policy requirement for affordable housing. Existing policy H2 has sufficient flexibility to deal with these situations, either through a departure from the usual tenure mix of 70% social rented housing and 30% shared ownership, or through a reduction in the overall percentage.
- 4.82 The updated DPD policies (NZC1) also identifies that were full compliance is not feasible or viable proposals must demonstrate that carbon reductions to the greatest extent feasible have been considered and incorporated. The NZC DPD cross refers to existing Policy DM2 (Assessing Viability'). This gives the Council the ability to balance the need to provide affordable housing (or other policy requirements) against NZC objectives, where site specific viability prevents both objectives being met. This flexibility will also ensure that the delivery of the Local Plan overall is not undermined.
- 4.83 Most forms of non-residential developments do not appear to have any difficulty absorbing the additional costs associated with meeting the objectives of the NZC DPD. These schemes do not have as many plan policy requirements as residential and it is therefore to be expected that the modest increase in construction costs can be absorbed. In the short term, office (B1) developments are on the margins of viability and should be able to absorb the NZC DPD requirements over the medium term assuming growth in capital values in excess of construction cost inflation.
- 4.84 It should also be noted that the costs of achieving NZC is very likely to fall over time, as improvements in technology emerge as a result of research and development by the housebuilding industry. These developments are likely to accelerate as standards increase to meet the government's emerging Future Homes standards.
- 4.85 The Regulation 18 version of the DPD implied the applicability of the policies to small scale development such as domestic outbuildings as small as 15sqm and small scale non-residential buildings including small-scale non-residential extensions. The threshold for the applicability of the policies has now been amended and clarified and only now includes developments of 1 dwelling or more or 1000sqm of floorspace. The amended threshold seeks to strike an appropriate balance between policies to maximise carbon emission reductions and the available resource within the Council to assess planning applications against Net Zero planning policies.

Proposed changes to the DPD

- The Viability Study evidence has been reviewed and updated having regard to the detailed viability comments. A review and response to the consultation responses is included at Appendix 10 of the updated viability report.
- The Viability Study evidence has been reviewed and updated to reflect the revised draft DPD policies. The cost uplift associated with the revised DPD policies has also been reviewed.
- Whilst the majority of development scheme typologies remain viable, the results of the updated viability appraisals continues to indicate that some schemes will not be able to meet the emerging NZC DPD policies alongside meeting the full policy requirement for affordable housing. The updated DPD policies (NZC1) now identify that where full compliance is not feasible or viable proposals must demonstrate that carbon reduction to the greatest extent feasible have been considered and incorporated. The NZC DPD cross refers to existing Policy DM2 (‘Assessing Viability’). This gives the Council the ability to balance the need to provide affordable housing (or other policy requirements) against NZC objectives and ensure that the delivery Local Plan overall is not undermined.

Sustainability Appraisal

- 4.86 Comments have been made on the Sustainability Appraisal (SA). These comments state that ‘do nothing’ and ‘follow the national approach to improved energy efficiency requirements’ should be tested in the SA as reasonable alternatives.
- 4.87 The Sustainability Appraisal has been updated to include ‘Do Nothing’ and ‘National Approach to Improving Energy Efficiency’ scenarios. The Do-Nothing scenario will progress towards net zero carbon for 2050 with positive effects but some uncertainties of significance. The National Approach will not implement stricter standards on energy efficiency in buildings until 2025. The main reason for progressing the NZC DPD rather than the Do-Nothing or the National Approach to Improving Energy Efficiency is that the strategy set out in the DPD progresses the Council’s climate change commitments. The other two scenarios do not progress the Council’s commitments for becoming a net zero carbon organisation by 2025 and facilitating the total carbon emissions within Warwick District as close to zero as possible by 2030. There is some evidence to suggest that taking such a proactive approach now will reduce the costs of dealing with climate change later.
- 4.88 Comments were received from Natural England and Historic England in response to the SA Scoping Consultation. The Environment Agency was also consulted but did not provide any comments. Note the comments made by Natural England and Historic England were not in response to the draft DPD or draft SA published for consultation.

- 4.89 Natural England agrees with the described approach, SA Framework questions, significance key and SA report contents.
- 4.90 Historic England is fully supportive of the District Council's commitment to becoming a zero-carbon organisation by 2025 and considered the screening opinion findings of the Net Zero Carbon DPD acceptable.
- 4.91 Historic England made further comments in May 2021 with regard to the Draft DPD at that stage. These comments may be summarised as:
- Historic England is disappointed as to the lack of reference to the historic environment in the DPD
 - The DPD should reference the retention and reuse of buildings as many policies seem to only relate to new development
 - The DPD should encourage and recognise the benefits of sympathetic restoration, retention and refurbishment and retrofitting of historic buildings
 - Policies should adopt a whole-building approach looking first at current performance, non-invasive measures and lastly physical interventions
 - Distinguish between modern and historic fabric
- 4.92 Historic England identify a number of publications with guidance on energy efficiency and renewables in the historic environment.
- 4.93 In response to the comments raised by Historic England and others regarding existing buildings, a new policy, NZC4, has been introduced.

Proposed changes to the DPD

- The SA has been updated to include the 'Do Nothing' and 'National Approach to Improving Energy Efficiency' scenarios as reasonable alternatives in the SA and provides justification for progressing the DPD as it will progress the Council's climate change commitments.
- A new policy NZC 4 for existing buildings has been included

5 Conclusion

5.1 Following Edgars' and Bioregional's review of the Net Zero Carbon DPD June 2021 Consultation documents and the Regulation 18 consultation comments, the following sets out a summary of the proposed changes to the DPD under each of themes identified. This is then followed by a table which presents the Regulation 18 Consultation Draft Policy Wording alongside the proposed amended policy wording.

Embodied Carbon (construction materials)

- New policy (NZC 3) for embodied carbon assessments on major development which illustrates how the embodied carbon of proposed materials and construction methods have been considered and reduced where possible.
- This new policy also includes the provision of a whole-life carbon assessment of materials on developments >50 dwellings, or 5,000sqm of commercial floorspace.

Energy Hierarchy

- Sequential approach to the energy hierarchy made explicit within Policy NZC1 and through the supporting text.
- Minimum on site carbon reduction targets included in Policy NZC1, and performance targets for the energy efficiency through policy NZC2(A) and zero and low carbon energy sources and technology through policy NZC2(B) to ensure appropriate carbon emission reductions are delivered at each these stage of the energy hierarchy. These are expressed as a % reduction in carbon emissions per stage of the hierarchy. For new dwellings the proposed on-site carbon reductions reflect the fabric efficiency standards at least in line with the 2025 version of Part L that has been released indicatively by the government (The Future Homes Standard).
- Policies and supporting text amended to refer to the uplift to Building Regulations Part L 2021.

Carbon Offsetting

- Sequential approach to the energy hierarchy made explicit within Policy NZC1 so that offsetting is the last option, by requiring minimum achievements in earlier steps before offsetting will be considered an acceptable solution.
- The location of 'local off-site offsetting schemes' has been clarified as Warwickshire and neighbouring authority Coventry to provide sufficient flexibility for potential offsetting schemes.

- The policy refers to a set standard of calculating the carbon price, determined by using the central figure from the Treasury Green Book data from BEIS.
- The amended policy now has due regard to any residual emissions identified through the performance gap assessments (undertaken at the planning design stage and pre-occupation). Included in the policies and supporting text are industry-standard methodologies for design and as-built energy modelling with explanation of the ‘performance gap’ realised post-completion and determined through ‘assured performance testing’.
- Policy number change to reflect policy changes elsewhere in the DPD from NZC2(D) to NZC2(C).
- Clear definition of energy performance methodologies e.g. SAP and SBEM which are included in the amended policies; and referenced in the glossary and supporting text.

Supply chain deliverability

- The policies have been updated to reflect the imminent introduction of changes to the building regulations (Part L 2021).
- Additional evidence accompanies the DPD in the form of the Bioregional Warwick DC Zero Carbon DPD Energy and Sustainability Policy Review.

Performance gap / enforceability

- Clarification added in the Aims and Objectives of the DPD that it relates only to carbon emissions resulting from energy use in buildings known as regulated energy, which results from fixed building services and fittings (space heating, cooling, hot water, ventilation and lighting) and is assessed through SAP or SBEM calculations.
- The supporting text to policy NZC1 sets out the planning mechanism and timings to measure the performance gap, and the methodologies that are acceptable (SAP, SBEM PHPP).

Transport related emissions

- Clarification added in the Aims and Objectives of the DPD that it relates only to carbon emissions resulting from energy use in buildings known as regulated energy, which results from fixed building services and fittings (space heating, cooling, hot water, ventilation and lighting) and is assessed through SAP or SBEM calculations.

Existing buildings/retrofit

- Policies NZC1 and NZC2 (A, B and C) amended to clearly set out the types of development to which these policies apply in.
- New policy NZC 4 for existing buildings.

Biodiversity measures

- Clarification added in the Aims and Objectives of the DPD that it relates only to carbon emissions resulting from energy use in buildings known as regulated energy, which results from fixed building services and fittings (space heating, cooling, hot water, ventilation and lighting) and is assessed through SAP or SBEM calculations.

Policy flexibility

- Policies NZC1, NZC2A, NZC2B and NC2C updated to ensure wording consistent with national planning policy and retain flexibility within the policies to account for instances where complying with the policies is not feasible or viable having regard to the type of development involved and its design. The policy wording requires that where full compliance with the policies is not feasible or viable proposals must demonstrate through the energy statement that additional renewable, zero and low carbon energy technologies have been provided to the greatest extent feasible and viable.
- Policy NZC2 (E) removed but cross reference to adopted Local Plan Policy DM2 reference to requirements that viability will be robustly tested in accordance with Policy DM2.

Local circumstances

- Additional evidence accompanies the DPD in the form of the Anthesis – South Warwickshire Climate Action Support Report June 2021 and Bioregional Warwick DC Zero Carbon DPD Energy and Sustainability Policy Review.
- The following points have been added to the supporting text to bolster the justification for the DPD by offering evidence that the UK's current rate of carbon reductions, including those that would be achieved by existing national building regulations, would be not enough to stay within the UK's legislated carbon budgets, get to net zero by 2050, or avoid the worst impacts of climate change:
 - IPCC subsequent reports (after 2018) on progress in carbon emissions and the limited carbon budget remaining to avoid the worst impacts of climate change

- The UK's interim legislated five-yearly carbon budgets which reduce significantly between now and the net zero 2050 date (which are devised by the Committee on Climate Change based on extensive evidence and industry analysis, and are then written into law by parliament)
- Committee on Climate Change latest reports showing (link) that nation-wide policies (including current building regulations) are not enough to deliver the UK's legally binding carbon budgets in coming years
- Committee on Climate Change recommendation (link) that that to reach the UK's legally binding carbon budgets, new homes should be designed to have a heat demand of only 15-20kWh/m²/year (which is much lower than the figure that would result from minimum compliance with current building regulations)
- The recent government response to the Future Homes Standard consultation confirming that there is no intent (at least in the immediate term) to remove local planning authorities' power under the Planning and Energy Act to require energy efficiency standards that are tighter than those in national building regulations
- The UK's international commitment via the Paris Agreement to play its full role in reducing carbon emissions to an extent that would limit climate change to no more than 2°C and pursue a limit of 1.5°C.

Viability of development

- The Viability Study evidence has been reviewed and updated having regard to the detailed viability comments. A review and response to the consultation responses is included at Appendix 10 of the updated viability report.
- The Viability Study evidence has been reviewed and updated to reflect the revised draft DPD policies. The cost uplift associated with the revised DPD policies has also been reviewed.
- Whilst the majority of development scheme typologies remain viable, the results of the updated viability appraisals continues to indicate that some schemes will not be able to meet the emerging NZC DPD policies alongside meeting the full policy requirement for affordable housing. The updated DPD policies (NZC1) now identify that where full compliance is not feasible or viable proposals must demonstrate that carbon reduction to the greatest extent feasible have been considered and incorporated. The NZC DPD cross refers to existing Policy DM2 ('Assessing Viability'). This gives the Council the ability to balance the need to provide affordable housing (or other policy requirements) against NZC objectives and ensure that the delivery Local Plan overall is not undermined.

Sustainability Appraisal

- The SA has been updated to include the 'Do Nothing' and 'National Approach to Improving Energy Efficiency' scenarios as reasonable alternatives in the SA and provides justification for progressing the DPD as it will progress the Council's climate change commitments.
- A new policy NZC 4 for existing buildings has been included.

6 Proposed Policy Changes

Consultation Draft 2021 Policy	Proposed Amended Policy	Proposed Amendment Summary
<p><u>Policy NZC1: Achieving Net Zero Carbon Development</u></p> <p>New development should achieve net zero carbon emissions. To do achieve this, developments will be expected to demonstrate that three critical elements have been considered holistically:</p> <ol style="list-style-type: none"> 1. Reduce energy demand by bringing forward and implementing proposals that minimise demand for energy in operation taking account of up to date technology that enables occupants to live in ways that minimise energy demands and energy efficient layout and design 2. Incorporate and utilise zero or low carbon energy sources, taking account of the availability and/or potential for large scale, low carbon energy sources and by incorporating passive and renewable energy sources within the 	<p><u>Policy NZC1: Achieving Net Zero Carbon Development</u></p> <ol style="list-style-type: none"> 1. New development of one or more new dwellings (C3 or C4 use class) and/or 1,000sqm of new non-residential floorspace, hotels (C1 use class) and residential institutions (C2 use class) should achieve net zero operational regulated carbon emissions by implementing the energy hierarchy. 2. Proposals should demonstrate application of the energy hierarchy through submission of an energy statement which demonstrates: <ol style="list-style-type: none"> i. For new dwellings, a minimum 63% reduction in carbon emissions is achieved by on-site measures, as compared to the baseline emission rate set by Building Regulations Part L 2021 (SAP 10.2). ii. In non-domestic buildings, achieve at least a 35% reduction in carbon emissions through on-site measures compared to the rate set by Building Regulations 2013 (or equivalent 	<p>The policy has been redrafted to require demonstration that the energy hierarchy has been applied in development proposals.</p> <p>The policy is now explicit to regulated energy usage and carbon emissions stemming from them.</p> <p>This policy also sets the threshold for developments which need to comply with Policies NCZ1-2(A-C).</p> <p>The policy sets measurable targets for on-site carbon emission reductions against Building Regulation Part L 2021. The 63% reduction of carbon emissions on 2021 Building Regulations reflects the Future Homes Standard which is set to be introduced from 2025.</p> <p>A 35% reduction in carbon emissions has been applied to non-residential buildings in line with the Future Buildings Standard.</p>

<p>development. Where fossil fuel based energy sources must be utilised, the technology incorporated within developments should ensure proposals are “zero carbon ready”</p> <p>3. Offset any residual carbon to bring the total operational carbon emissions to net zero. Offsetting should be delivered within or as close as possible to the development.</p> <p>Policy NZC2(A-D) sets out the detailed policy requirements for new development</p>	<p>percentage reduction on Building Regulations 2021).</p> <p>iii. Demonstrate use of the energy hierarchy through compliance with the energy efficiency and renewable energy provisions set by policies policy NZC2(A) & (B) and by presenting the carbon savings achieved across each step of the energy hierarchy (demand reduction, efficient supply, renewable and other low-carbon technology).</p> <p>iv. Any residual operational regulated carbon emissions (over the course of 30 years) will be calculated and offset to zero in accordance with policy NZC2(C). Offsetting will only be considered an acceptable solution to net zero carbon requirements if it can be demonstrated that carbon reductions achieved via on-site measures (and near-site renewables) are demonstrably unfeasible or unviable.</p> <p>Where full compliance is not feasible or viable having regard to the type of development involved and its design, proposals must demonstrate through the energy statement that carbon reductions to the greatest extent feasible have been considered and incorporated through applying the energy hierarchy. In applying the energy hierarchy, proposals are expected to implement fabric energy efficiency and low</p>	<p>To be consistent with national planning policy, flexibility is retained within the policy to account for instances where complying with the policies can be demonstrated to be not feasible or viable, having regard to the type of development involved and its design.</p> <p>Information surrounding the measurement of the performance gap has been updated to use methodologies which accurately measure energy performance at design and construction stages.</p>
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	<p>carbon heating before incorporating renewable electricity generation and then offsetting.</p> <p>A condition will be applied to planning permissions requiring as built SAP or SBEM calculations to be submitted prior to occupation and demonstrating that the finished building meets the standard set in Policy NZC1.</p>	
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<u>Policy NZC2(A) Making buildings energy efficient</u>	<u>Policy NZC2(A) Making buildings energy efficient</u>	
<p>Using the most up to date Standard Assessment Procedure (SAP) developments should demonstrate improved energy efficiency in design and operation of 75% over and above 2013 building regulations standards.</p> <p>Measurement of energy efficiency performance and carbon emissions should be carried out in accordance with the performance metrics set out in the Government’s response to the Future Homes Standard consultation (January 2021) or any subsequent set of metrics required through the Building Regulations.</p> <p>To demonstrate the validity of the energy efficiency performance, proposals will be required to provide certified energy performance through a nationally recognised building standard.</p> <p>Certification to a nationally recognised standard to demonstrate the predicted energy performance across the entire development should be provided as part of any reserved</p>	<p>New development of one or more new dwellings are expected to demonstrate a 10% improvement on the Part L 2021 Target for Fabric Energy Efficiency (set by SAP10.2).</p> <p>New developments of 1,000sqm or more of new non-residential floorspace are expected to demonstrate that they achieve a 19% reduction in carbon emissions compared to Part L 2013 through energy efficiency measures (fabric efficiency, efficient services and efficient energy supply; steps 1 and 2 of the energy hierarchy).</p> <p>Where full compliance is not feasible or viable having regard to the type of development involved and its design, proposals must demonstrate through the energy statement that carbon reductions to the greatest extent feasible through energy efficiency measures have been considered and incorporated.</p> <p>All energy statements must also lay out the U-values and airtightness of the proposed building in comparison to the notional values in the Future Homes Standard or Future Building Standard</p>	<p>This policy now mandates a % improvement on the energy efficiency of the building as step 1 of the energy hierarchy. This contributes significantly to lowering the demand from new buildings on energy infrastructure and potential costs and emissions required from retrofitting.</p> <p>To be consistent with national planning policy, flexibility is retained within the policy to account for instances where complying with the policies can be demonstrated to be not feasible or viable, having regard to the type of development involved and its design.</p> <p>The policy is updated to include a development threshold for when the policy applies.</p> <p>Information relating to the performance gap has been moved to the supporting text under NZC1, as this related to the newly imposed condition for pre-occupation measurement of carbon emissions. The supporting text has been updated with the relevant methodologies for calculating energy efficiency to provide clarity on how carbon</p>

<p>matters application, full application, Section 73 application or section 96a (non material amendment) application, to evidence the passive and energy efficient design for building performance.</p> <p>To ensure the performance gap between design and construction is minimised, applicants will be required to demonstrate, prior to occupation, that building performance on completion has been tested through the most up to date Standard Assessment Procedure (SAP) and that any energy efficiency performance gap between design and construction is identified and the resulting additional carbon emissions are calculated. Where this results in additional carbon emissions over and above those identified in the design, Policy NZC2(D) will apply.</p>	<p>(indicative specification, or final, as available at time of application).</p>	<p>emissions will be calculated and presented through applications.</p>
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<p><u>Policy NZC2(B) Zero or Low Carbon Energy Sources</u></p> <p>Proposals for new development must include an energy statement which demonstrates that zero and low carbon sources of energy have been considered and, where possible, incorporated or utilised in the development.</p> <p>Specifically, the energy statement should give full consideration to the following:</p> <ul style="list-style-type: none"> • The potential for onsite renewable energy generation • Utilisation of onsite heat sources • Utilisation of any existing or planned local offsite renewable energy generation including renewable energy Power Purchase Agreements or direct off-grid connections to renewable energy generation • Utilisation of any existing or planned heat networks • Other low carbon energy sources. 	<p><u>Policy NZC2(B) Zero or Low Carbon Energy Sources and Zero Carbon Ready Technology</u></p> <p>New development of one or more new dwellings and/or 1,000sqm of new non-residential floorspace should demonstrate through an energy statement that additional renewable, zero and low carbon energy technologies have been provided on-site* to achieve the carbon reductions required by Policy NZC1 and achieve on-site net zero operational carbon wherever possible.</p> <p>Where full compliance is not feasible or viable having regard to the type of development involved and its design, proposals must demonstrate through the energy statement that additional renewable, zero and low carbon energy technologies have been provided to the greatest extent feasible and viable.</p> <p>Where full compliance with this policy is not feasible or viable having regard to the type of development involved and its design proposals should incorporate ‘zero carbon ready’ (as opposed to immediately ‘low/zero carbon’) technologies.</p>	<p>This policy now mandates the incorporation of on-site renewable zero and low carbon sources to achieve the carbon reductions required by Policy NZC1 and achieve on site net zero operational carbon wherever possible. This again contributes significantly to lowering the energy demand from new buildings and the burden on energy infrastructure.</p> <p>To be consistent with national planning policy, flexibility is retained within the policy to account for instances where complying with the policies can be demonstrated to be not feasible or viable, having regard to the type of development involved and its design.</p> <p>The policy now requires consideration of zero carbon ready technologies where provision of Zero or Low Carbon Energy Sources is not feasible or viable.</p> <p>The policy is updated to include a development threshold for when the policy applies.</p>
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<p>Alternatives to fossil fuels (such as heat pumps) should be used for heating in all housing unless the costs or configuration of the development can be demonstrated to make this unviable or impractical. Use of fossil fuels as sources of energy should be avoided unless it can be clearly demonstrated that:</p> <ul style="list-style-type: none">a) renewable or low carbon options are unviable (in terms of cost of installation or in terms resulting in running costs which could result in fuel poverty); orb) the nature of the use is such that renewable or low carbon options are unable to fully meet the energy demands.	<p>*this may include off site existing or planned zero, low carbon or renewable energy generation or heat network provision where there is a direct off-grid connection to the development which has capacity to serve the development.</p>	
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<p><u>Policy NZC2(C) Zero-Carbon-Ready Technology</u></p> <p>Where the energy statement required in policy NZC2(B) demonstrates that renewable or low carbon options are unable to fully meet demand or are unviable, developments will be required to incorporate “zero carbon-ready” technology that will allow future decarbonisation of energy as the national energy grids or any other local energy sources decarbonise.</p> <p>Where fossil fuel based energy sources are utilised, residual emissions will be offset through NZC2(D) below.</p>	<p>Removed – covered in policy NCZ2(B) see note above.</p>	<p>Removed – the requirement to consider Zero Carbon Ready Technology is now included in policy NCZ2(B) see note above.</p>
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<p><u>Policy NZC2(D): Carbon Offsetting</u></p> <p>Where a development proposal cannot demonstrate that it is net zero carbon at the point of determination of planning permission, it will be required to address any residual carbon emissions by:</p> <p>1) a cash in lieu contribution to the District Council’s carbon offsetting fund</p> <p>or</p> <p>2) at the Council’s discretion, a verified local off-site offsetting scheme, provided that the scheme is properly quantified and is verified by the Warwickshire County Council’s Ecology team. The delivery of any such scheme must be local and guaranteed.</p> <p>Contributions to an offsetting scheme shall be secured through Section 106 Agreements. The Council will maintain Supplementary Planning Guidance setting out how contributions will be utilised.</p> <p>Developers will be expected to set out and evidence anticipated carbon emissions for developments taking account of emissions</p>	<p><u>Policy NZC2(C): Carbon Offsetting</u></p> <p>Where a development proposal of one or more new dwellings and/or 1,000sqm of new non-residential floorspace cannot demonstrate that it is net zero carbon, it will be required to address any residual carbon emissions by:</p> <p>1. a cash in lieu contribution to the District Council’s carbon offsetting fund</p> <p>and/or</p> <p>2. at the Council’s discretion, a verified local off-site offsetting scheme. The delivery of any such scheme must be within Warwickshire and Coventry, guaranteed and meet relevant national and industry standards. If it is a nature-based carbon sequestration scheme, then it must be backed by the national government’s Woodland Carbon Code initiative (or future replacement/equivalent national scheme) and meet the Warwickshire ecosystem service market trading protocol.</p> <p>Contributions to an offsetting scheme shall be secured through Section 106 Agreements</p>	<p>More information is provided on the calculation of carbon offsetting, including the carbon value to be used in calculations.</p> <p>The policy is updated to include a development threshold for when the policy applies. Further information is provided on the definition of ‘local’ offsetting schemes and amended to include Warwickshire and Coventry to provide flexibility in delivery.</p>
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<p>during the operational/occupied phase of the building's life and during demolition if it is reasonable to expect this to occur within 30 years. In determining the level of the development's carbon emissions assessments should consider all emissions that will occur within 30 years of completion.</p> <p>Where "zero-carbon ready" technology is incorporated within the building, associated carbon emissions will be calculated in accordance with the stated national trajectories for the carbon reduction of the relevant energy sources.</p> <p>Where the SAP undertaken at completion shows that there is a performance gap between the design and the performance of the completed building, carbon offsetting contributions will be required to reflect any associated additional carbon emissions not accounted for at the point of determination of the planning application.</p>	<p>and will be required paid prior to the occupation of the development.</p> <p>The amount of carbon to be offset will be calculated according to the SAP or SBEM carbon emissions submitted in the energy statement required under policy NZC(1). This must then be multiplied to reflect emissions over a period of 30 years from completion. Where "zero-carbon ready" technology is proposed, associated carbon emissions should be calculated in accordance with the stated national trajectory for carbon reduction of the energy source (i.e. annual Treasury Green Book BEIS projections of grid carbon intensity or future national equivalent).</p> <p>The carbon offset contribution amount will be calculated within the energy statement at the submission of the application. It must then be recalculated at completion and pre-occupation. Where assessment undertaken at completion shows that there is a performance gap between the design and the performance of the completed building, carbon offsetting contributions will be required to reflect any associated additional carbon emissions not accounted for at the point</p>	
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	<p>of determination of the planning application and an adjusted payment made if necessary.</p> <p>The carbon offset price is the central figure from the <u>nationally recognised non-traded valuation of carbon</u>, updated annually as part of the Treasury Green Book data by BEIS.</p> <p>Funds raised through this policy will be ringfenced and transparently administered by the Council to deliver a range of projects that achieve measurable carbon savings as locally as possible, at the same average cost per tonne. The fund's performance will be reported in the Authority Monitoring report on: amount of funds spent; types of projects funded; amount of CO₂ saved.</p>	
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	<p><u>NZC3 Embodied Carbon (New policy)</u></p> <p>New major development should demonstrate in the energy statement or design statement how the embodied carbon of the proposed materials to be used in the development has been considered and reduced where possible, including with regard to the type, life cycle and source of materials to be used.</p> <p>Proposals for development of 50 or more new dwellings and/or 5,000sqm of new non-residential floorspace should be accompanied by a whole-life assessment of the materials used.</p>	<p>Due regard and consideration to embodied carbon is now reflected in this new policy. This is directed at major development, which has the propensity to conduct such assessments and thus is feasible, and the scales at which the policy applies means the additional costs of such assessments are viable.</p>
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	<p><u>NZC4 Existing Buildings (New policy)</u></p> <p>All developments should demonstrate a consideration to sustainable construction and design in accordance with Local Plan Policy CC1. In addition all development should consider alternatives to conventional fossil fuel boilers. This should be explored through a Low/Zero Carbon assessment of low carbon options within the submitted application documents.</p> <p>Development proposals which would result in considerable improvements to the energy efficiency, carbon emissions and/or general suitability, condition and longevity of existing buildings will be supported, with significant weight attributed to those benefits.</p> <p>The sensitive retrofitting of energy efficiency measures and the appropriate use of micro-renewables in historic buildings, including listed buildings and buildings within conservation areas will be encouraged, providing the special characteristics of the heritage assets are conserved in a manner appropriate for their significance.</p>	<p>With regard to existing buildings, NZC1 does not apply to existing buildings as the cost and feasibility of retrofitting existing buildings to the ambitious standards of NZC1 are so variable making it very difficult to demonstrate they are feasible and viable.</p> <p>To further support sustainable construction policies within the adopted Warwick Local Plan this policy provides positive weight to developments which can improve the buildings energy efficiency and reduce carbon emissions through low or zero carbon technologies.</p>
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7 Consultation Representations