
Matter 2 Hearing Statement

Warwick Zero Carbon Development Plan
Document Examination

Response on Behalf of Barratt David Wilson
Homes (Mercia)

Hearing Statement

Warwick Zero Carbon DPD Examination



Questions: 2.1, 2.2, 2.3, 2.4, 2.6, 2.7, 2.8, 2.9 & 2.10

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1. Introduction

1.1. Introduction

- 1.1.1. Savills has been instructed by Barratt David Wilson Homes (Mercia), referred to hereafter as “BDWH”, to submit a Hearing Statement in response to Matter 2 (Questions 2.1, 2.2, 2.3, 2.4, 2.6, 2.7, 2.8, 2.9 and 2.10) of the Warwick Zero Carbon Development Plan Document Examination. BDWH has a number of land interests in Warwick District. Through this DPD Examination BDWH is questioning the speed at which Warwick District Council (WDC) is seeking to bring in its new policies and the robustness of the evidence underpinning these policies.
- 1.1.2. BDWH is part of the national Barratt Developments Plc, which has been involved in housebuilding for over 60 years. Barratt Developments is supportive of the decarbonisation agenda and has already put a number of initiatives in place, including following its own Zero Carbon Home Roadmap, through which it aims for all of its house types to be zero carbon (regulated only) by 2030.
- 1.1.3. Barratt Developments has an extensive commitment to sustainable housebuilding and has been nationally recognised for its commitment in this area by: the FTSE 100 Responsibility Index; the next Generation Sustainability Benchmark Report; and the Carbon Disclosure Project, which recently awarded it an ‘A’ rating, demonstrating that it is one of the leading companies worldwide for the action that it is taking.

2. Matter 2: Overarching Strategy: achieving net zero carbon developments

2.1. Question 2.1

“Are the aims and objectives of the DPD, as submitted, soundly based and do they form an appropriate response to the climate emergency declared in Warwick District?”

- 2.1.1. BDWH supports the aim of the DPD to facilitate decarbonisation within Warwick District and advancing carbon reduction standards. BDWH notes that the identified objectives present a strategy through which, in principle, this aim could be delivered.
- 2.1.2. However BDWH questions the actual deliverability of the draft policies included in the DPD for achieving these objectives. BDWH believes that the targets set out in the Draft DPD are not the most appropriate way

to achieve the desired outcomes at present. The responses included within the remainder of this Statement and submitted in relation to Matters 3, 4, 5, 6 and 7 also identify areas in which the DPD evidence base is not considered to demonstrate that the proposed policy requirements are soundly based.

2.2. Question 2.2

“Is the general approach of the DPD through Policy NZC1 – Achieving Net Zero Carbon Development a reasonable one?”

- 2.2.1. BDWH agrees with the principle of following an energy hierarchy. The BDWH Zero Carbon Home Roadmap takes this approach by focusing on solutions for enhancing energy efficiency (reducing demand) before energy generation (renewables) and offsetting are taken into consideration. BDWH considers that this represents a reasonable and pragmatic approach.
- 2.2.2. BDWH has concerns with the speed at which WDC wishes to introduce its proposed new policy approach. This approach is significantly ahead of the national introduction of the Future Homes Standard and BDWH's own Zero Carbon Home Roadmap. These concerns arise from the significant increase in complexity which will result from the introduction of this policy approach. This complexity will not only affect developers, but will also affect consultants, architects, designers, suppliers and trades, who all rely on a set of clear and consistent standards to which they can refer and be confident in. The result of this is considered to be a significant slowdown in the delivery of new homes at a time when housing delivery is greatly needed.
- 2.2.3. The evidence base, notably the Revised Viability Study¹, does not appear to provide a robust demonstration of the viability and deliverability of the proposed approach. Specific commentary on the assumptions used within the Revised Viability Study is provided in the Statement submitted for Matter 3. BDWH therefore considers that it is neither practical nor useful to impose higher standards on developers at this time. BDWH considers that the solution to this systemic challenge is for WDC to work with developers in line with the national transition to the implementation of the Future Homes Standard.

¹ Net-Zero Carbon Development Plan Document: Revised Viability Study. April 2022. Prepared by BNP Paribas Real Estate.

2.3. Question 2.3

“Specifically, is the approach within the DPD to introduce local carbon reduction targets ahead of national Government-led targets (e.g, the Future Homes Standard in 2025) justified and set on a sound basis?”

- 2.3.1. BDWH notes that the Draft DPD approach is seeking to bring the achievement of the proposed Future Homes Standard within Warwick District forward from 2025 to the date at which the DPD is adopted. The Government has highlighted that the Future Homes Standard should be the development industry’s shared goal and BDWH has embraced this goal.
- 2.3.2. BDWH recognises that the Government’s response to the Future Homes Standard consultation² states that *“To provide some certainty in the immediate term, the Government will not amend the Planning and Energy Act 2008, which means that the local planning authorities will retain powers to set local energy efficiency standards for new homes”*. The Government response³ also states that *“as we move to ever higher levels of energy efficiency standards for new homes with the 2021 Part L uplift and Future Homes Standard, it is less likely that local authorities will need to set local energy efficiency standards in order to achieve our shared net zero goal”*.
- 2.3.3. It is not made clear in the Draft DPD or its supporting evidence base how the proposed approach to set local energy performance standards for new housing above those set through the 2021 Part L Building Regulation requirements, aligns with the cap on performance standards set out within the Planning Practice Guidance (PPG).⁴
- 2.3.4. Whilst Housebuilders are gearing up for meeting (or in BDWH’s case exceeding) the proposed introduction of the Future Homes Standards in 2025, that date is still circa 2 years off. It takes time to get the measures in place and for the necessary technology to be tested and be made available at a reasonable cost to enable this to be applied on a large scale / national basis. There is therefore a risk that rushing this process could lead to: a reduction in housing delivery (including in relation to affordable housing); harm to economic growth; and a reduction in the number of jobs created.

² MHCLG The Future Homes Standard: 2019 Consultation on changes to Part L (conservation of fuel and power) and Part F (ventilation) of the Building Regulations for new dwellings. Summary of responses received and Government response. January 2021. Paragraph 2.40.

³ MHCLG The Future Homes Standard: 2019 Consultation on changes to Part L (conservation of fuel and power) and Part F (ventilation) of the Building Regulations for new dwellings. Summary of responses received and Government response. January 2021. Paragraph 2.41.

⁴ Planning Practice Guidance: Paragraph: 012 Reference ID: 6-012-20190315 (Revision date: 15 03 2019).

- 2.3.5. WDC has not supplied sufficient evidence to demonstrate the implications of these proposed low carbon policy standards on deliverability, including: demonstrating that local supply chains and services are able to support the proposed change; and demonstrating a sufficiency of skilled labour available to implement new technologies at scale. The necessary technology also needs to be in place to support this. Changes like these should therefore be introduced gradually through a phased transition period and applied equally across the UK.
- 2.3.6. A key part of this process is the upfront research and development work to test products and techniques and the research project collaboration being undertaken within the development industry, such as the Zed House and Energy House 2.0. These projects are providing key insights which will enable and support successful development of new technologies. Similarly this gradual approach allows the development industry to gather critical customer insights in relation to these emerging technologies.
- 2.3.7. The national implementation of the Future Homes Standard should therefore be used to set the overall framework and timeframes for the wide-scale deliverability of carbon reductions. Where opportunities arise BDWH would be open to explore advancing standards on specific sites, which can contribute to increasing industry readiness for when Future Homes Standard is introduced (e.g. Barratt Developments is currently building its first gas-free development at Delamare Park in Somerset, where all new homes are heated using air-source heat pumps).
- 2.3.8. BDWH is currently on track to move all of its house types across to updated Building Regulations Part L, which will deliver a 31-35% reduction and will uplift its standards again in 2025 to a 75-80% reduction in line with the Future Homes Standard.
- 2.3.9. Accordingly, in advance of the national implementation of the Future Homes Standard, the DPD policy provisions should be sufficiently flexible to enable developers to deliver specific enhancements where achievable, whilst acknowledging that the built fabric is only one way in which carbon reductions can be achieved and that improvements can be facilitated through other measures, such as building orientation, cooling and passive shading.
- 2.3.10. The BDWH approach, which is based on the Future Homes Target roadmap, is a more gradual approach. BDWH considers that this is the right approach and one which it recommends that Warwick District Council follows. This allows time for the Government to clarify its policy position in relation to key issues, such as whole life carbon, where there is considerable uncertainty at present on how this should be consistently

measured. The 2025 implementation date allows time to work through challenges, carry out appropriate research and development to test low carbon solutions, as well as monitor smaller scale Future Homes Standard projects and how products, and the associated supply chain, perform.

- 2.3.11. This position also needs to be considered in the context of how rising build costs, inflation and the increasing squeeze on incomes affects the affordability of houses. There is a viability and deliverability risk that is likely to impact housing delivery if significantly increased policy requirements are introduced too early in advance of pending national changes. Therefore, additional evidence needs to be presented to demonstrate that the proposed policy approach is justified, effective and consistent with the existing and emerging national policy positions, as required by the NPPF.⁵ Further comments on the Revised Viability Study are provided within BDWH's Matter 3 Statement.

2.4. Question 2.4

“Does Policy NZC1, and the strategy set out within it, accord with national policy?”

- 2.4.1. The NPPF⁶ identifies the role that the planning system can play in supporting the transition to a low carbon future. However the NPPF does not set out guidance in relation to requirements for embodied carbon assessments, or a requirement for Local Planning Authorities to seek energy efficiency measures significantly above that of the Building Regulations, or indeed ahead of 2025 in respect of the Future Homes Standard. There is a need to ensure that the proposed policy provisions are soundly based and do not impact on the viable delivery of housing development.

2.5. Question 2.6

“Is everything covered within Policy NZC1 that needs to be?”

- 2.5.1. Having reviewed the draft wording of proposed policy NZC1, we do not consider that any further standards need to be included within the policy. The responses provided by BDWH within this Matter 2 Statement highlight the need for further flexibility to be introduced into policy wording, if the Draft DPD is taken forward for adoption, to allow for an appropriate transition period to be put in place prior to the introduction of more radical standards.

⁵ National Planning Policy Framework (July 2021). Paragraph 35.

⁶ National Planning Policy Framework (2021). Paragraph 152.

2.6. Question 2.7

“Is there a justification to include a target FEE (space heat demand) of 15-20 kWh/m²/yr within Policy NZC1, or similar, and would the inclusion or omission of such a target go to the soundness of the DPD?”

- 2.6.1. As a business BDWH recognises that following the energy hierarchy, which maximises the potential savings using energy efficiency and conservation measures which have no reliance on external factors, presents the optimal method for reducing energy demand, and thus carbon emissions, overall.
- 2.6.2. Focusing efforts on long-lived building fabric helps to ‘future proof’ homes, meaning they will be less likely to require difficult and expensive refurbishment upgrades later. However, BDWH is keen to express that the proposed target FEE (space heat demand) of 15-20 kWh/m²/yr within Policy NZC1, which is equivalent to Passivhaus energy efficiency and thermal performance standards, is a big step change for industry, not just in the way that homes are built, but the way that the homes look and the way that customers use them. Furthermore, Passivhaus standards are not necessarily required to achieve net zero carbon.
- 2.6.3. Moving towards such a prescriptive target metric can limit flexibility in design, materials and components used. BDWH is already seeing issues associated with lack of skilled labour and material shortages. The introduction of metrics such as this are only likely to enhance this issue.
- 2.6.4. There is a need to ensure that: manufacturers have capacity to deliver; trades have the skills available to construct and install products/services and; any technologies that are not yet proven are trialled before volume roll out to avoid any customer issues. It is important to understand whether the appropriate technologies will be available for implementation, what the overheating risks associated with this are and whether customers (the homeowners) are ready for these changes.
- 2.6.5. BDWH believes that it is key that incremental step changes in carbon reductions are introduced to reduce the risk of non-compliance and customer care issues. The current SAPs are still being assessed against 2021 Building Regulations. An average of 27-28 kWh/m²/yr for a 3 or 4 bed house at the moment is considered to be an acceptable level of performance. Introducing a space heating demand as low as 15 kWh/m²/yr is therefore extremely ambitious and BDWH would recommend further work is needed to understand the true implications on standard new build house types.

- 2.6.6. It should be noted that Zero Carbon (regulated energy only) can be met with higher space heating demands through building fabric, efficient services with heat recovery and renewable energy. Such an approach would then also allow for design flexibility.
- 2.6.7. BDWH also has concerns over the “in-use” performance and effectiveness of certain building services and systems. Lack of consumer knowledge and understanding on how to run a low carbon / Passivhaus home can lead to operating and running inefficiencies, which can in turn impact the energy consumed and cost to the end user. When higher standards are introduced homes become more complex. BDWH needs to be able to support its customers. Education is key to ensure that customers understand and know how to run their homes efficiently. As part of the new Building Regulations Part L requirements which BDWH will be introducing, Home Energy User Guides will have to be provided to new homebuyers, which should assist with consumer understanding. Passivhaus standards would nevertheless still represent a significant step-change.
- 2.6.8. The passivhaus standard is included as an alternative provision at the end of Draft Policy NZC1, but with very limited elaboration in the supporting text to the policy, apart from a reference to the use of the Passivhaus accreditation process⁷. No further significant elaboration and justification is provided within the evidence base. If this target is to be included in the DPD, and for the DPD to be sound, BDWH considers that there is a need for WDC to robustly demonstrate that the industry and supporting supply chain is ready to deliver this target.

2.7. Question 2.8

“Is sufficient clarity provided within the DPD in relation to the content and scope of energy statements and when they are required?”

- 2.7.1. Draft Policy NZC1 is clear in specifying which development proposals the proposed energy statement should be submitted to support and that the proposed energy statement should demonstrate the application of the energy hierarchy through showing how the requirements set out in Draft Policy NZC2 (A), (B) & (C) are met, where appropriate.
- 2.7.2. However, from a practical point of view, there should be more clarity on how the content of energy statements should reflect each type of planning application.

⁷ Paragraph 5.9 of the Warwick District Council Net Zero Carbon Development Plan Consultation Document April 2022.

2.7.3. The level of detail that can be provided at the outline stage is very different to that which can be provided at reserved matters stage. Even national housebuilders, who should have relative certainty over the type of development that they intend to deliver, will not be able to set out the level of detail required to support an outline planning application on the basis that the final number, type, mix, design and layout of dwellings is not required to be fixed at outline stage.

2.7.4. Clarity should therefore be given on what, if any, information should be provided at outline planning application stage if the proposed Draft DPD energy statement requirements remain, to enable the proposed policies to be clearly and unambiguously applied.

2.8. Question 2.9

“Are there any requirements that should not be in Policy NZC1 with regard to soundness?”

2.8.1. The response set out within this Matter 2 Statement has questioned the soundness and deliverability of the proposed introduction of: a minimum 63% reduction in carbon emissions achieved through on-site measures; and the alternative approach identified relating to the application of the Passivhaus standard. Commentary on the proposed policy provisions NCZ2 (A), (B) and (C) has been set out in the separate Statements produced in response to Matters 4-6.

2.9. Question 2.10

“Will there be any unacceptable impact on housing delivery and development generally as a result of the overarching strategy and Policy NZC1 of the DPD, as submitted?”

2.9.1. The costs and technical challenges arising from the proposed Draft Policy NZC1 and the overall strategy, notably the proposed introduction of standards significantly in excess of the current Building Regulation requirements / Passivhaus standards, along with the potential costs of carbon offsetting, may be significant.

2.9.2. The majority of national housebuilders, in line with industry expectations and standards, will generally only be set up to deliver to current Building Regulation Part L standards. This may result in some national housebuilders needing to adopt a more costly bespoke approach to sites that they deliver in Warwick District. The labour force, supply chain and technology for enabling the implementation of the policy provisions is also not currently readily available.

2.9.3. This could act as a barrier to, and / or increase the timescales for, delivering viable residential development in Warwick District and thus adversely affect the supply and affordability of new homes (both market & affordable housing).

