
Matter 6 Hearing Statement

Warwick Zero Carbon Development Plan
Document Examination

Response on Behalf of Barratt David Wilson
Homes (Mercia)



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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 6 (Questions 6.2, 6.3 and 6.7) 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.

2. Matter 6: Carbon Offsetting

2.1. Question 6.1

“How does Policy NZC2(C) - Carbon Offsetting relate to the adopted Warwick Local Plan and its relevant policies?”

- 2.1.1. In terms of implementation, Policy NZC2(C) directly relates to the adopted Warwick District Local Plan Policy DM1 (Infrastructure Contributions) and Policy DM2 (Assessing Viability). The relationship with either of these existing Policies is not specifically referenced within the Draft DPD. The Draft DPD also does not specifically explain the interface between this proposed policy and the requirements of adopted Warwick District Local Plan Policy CC1(a).
- 2.1.2. The impact of the early implementation of carbon reduction measures being proposed through the Draft DPD and the potential costs of the offsetting measures have however not been considered through the work (including viability assessment) that was undertaken to produce the adopted Warwick Local Plan. Therefore this has not been factored into the allocations included within the adopted Warwick Local Plan and the commercial assumptions applied in any land deals affecting such sites. If measures are proposed

to be introduced which would affect planning applications / reserved matters applications for these sites then this may impact on the viability / deliverability of development being brought forward on these allocations.

- 2.1.3. It is also noted that the adopted Warwick District Local Plan does not include any allocations for sites to deliver development proposals that could be used as receptors for Carbon Offsetting Fund contributions. Therefore in the absence of such sites being proposed through the Draft DPD there is considerable uncertainty as to how the Fund will operate and deliver any necessary offsetting.

2.2. Question 6.2

“Is the approach of Policy NZC2(C) reasonable, justified and effective and is it soundly based on robust evidence?”

- 2.2.1. It is recognised that the proposed carbon offsetting price of £254 / tonne has been taken from BEIS Treasury Green Book data. However Appendix 6 of the Revised Viability Study¹ is clear that this carbon offsetting price is higher than in the previous national prices applied to other local plans. Examples have not been provided within the evidence base of where this price has been applied successfully through Local Plans elsewhere. Viability Study Appendix 6 seeks to justify this by suggesting that the actual cost is likely to be lower due to factors such as onsite reductions and grid decarbonisation, but without clearly explaining how this would work. There is also a need for a 30 year life span to be factored in.
- 2.2.2. It is not possible to know at this point in time what the ultimate quantum of offsetting contributions might be for particular development sites if they are unable to demonstrate that they can achieve the early implementation of zero carbon policies being sought through the DPD. This would need to be considered on a site-by-site basis. Sensitivity testing of potential offsetting cost scenarios has also not been undertaken through the viability evidence base. In the absence of such testing then the viability implications of this proposed policy approach are not known.
- 2.2.3. BDWH supports the principle of carbon reduction and is following the Future Homes Target roadmap in order to embrace the Future Homes Standard goal. BDWH considers that the evidence base underpinning the DPD does not provide clear justification in relation to the application of the carbon offsetting payments

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

(including any discounts) and how this has been taken into account through the Revised Viability Study, in order to provide comfort that the early introduction of the proposed policy approach would not adversely impact on the supply of, and viability of delivering housing in, Warwick District. There are also uncertainties as to how and where the 'ringfenced' carbon offsetting payments will be spent (as identified in the responses to Questions 6.4 and 6.5).

2.3. Question 6.3

“Does Policy NZC2(C) and its requirements accord with national policy?”

2.3.1. The proposed policy states that: *“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”*. Appendix 6 of the Revised Viability Study³ identifies a number of these potential projects. However it is noted that such projects have not been formalised, the fund has not been set up and an explanation has not been given for how this approach would meet the requirements for planning obligations set out in NPPF paragraph 57. Without suitable detail on what the cost, scope and scale of these projects will be, it is unclear how this proposed policy fully meets the NPPF paragraph 57 requirements.

2.3.2. In addition, without a better understanding of what the cost implications of the proposed policy might be for development proposals it is unclear how the requirements of NPPF paragraph 34 can be fully met. The proposed policy approach is therefore not considered to comply with national policy requirements.

2.4. Question 6.4

“How and when will a ‘carbon offset fund’, or equivalent, be in place?”

2.4.1. Neither the DPD consultation documentation nor the supporting evidence base documentation set out how or when the Warwick District Council Carbon Offset Fund will be in place or how it will be set up.

² Warwick District Council Net-Zero Carbon Development Plan Document. Consultation Draft. April 2022. Policy NZC2(C):Carbon Offsetting. Page 29.

³ Net-Zero Carbon Development Plan Document: Revised Viability Study. April 2022. Prepared by BNP Paribas Real Estate.

2.5. Question 6.5

“How and when will appropriate guidance be provided on the detail, management and application of such an ‘offsetting fund’?”

2.5.1. BDWH notes that there is an intention for Warwick District Council to prepare and maintain supplementary planning guidance setting out how contributions to the Carbon Offset Fund will be utilised⁴. There is no indication given as to when this will be produced and what measures might be in place in the interim period to enable the implementation of the proposed policy. BDWH considers that an understanding of how the planning obligations paid into the fund are managed and spent is required in order to be able to assess whether the proposed policy approach is effective.

2.6. Question 6.6

“What will be the relationship between the ‘carbon offsetting fund’ and any existing CIL Funding mechanism that is in place?”

2.6.1. The DPD consultation documentation⁵ refers to the carbon offsetting contributions being secured through the use of S106 Agreements. The assumption is therefore that this contribution will be in addition to any existing CIL funding mechanism and would fund schemes that are in addition to any against which CIL funding may deliver. The Draft DPD (paragraph 8.5) could be updated to make this relationship clear.

2.7. Question 6.7

“Does Policy NZC2(C) and its requirements have any unacceptable impacts on development delivery, including housing?”

2.7.1. As set out in response to Question 6.2, if the proposed policy is adopted as drafted then there is a risk that the offsetting costs, and the uncertainty surrounding the precise quantum of such offsetting costs, may act as a barrier to the delivery of residential development in Warwick District and thus adversely impacting on the supply and affordability of new homes.

⁴ Warwick District Council Net-Zero Carbon Development Plan Document. Consultation Draft. April 2022. Paragraph 8.8. Page 31.

⁵ Warwick District Council Net-Zero Carbon Development Plan Document. Consultation Draft. April 2022. Policy NZC2(C):Carbon Offsetting. Page 29.

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