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Delivered by email

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Turley Ref: THEQ3025

WARWICK NET ZERO CARBON DPD EXAMINATION – WMS RESPONSE ON BEHALF OF HILL RESIDENTIAL LTD

Dear Sir,

Following the publication of the letter from the Inspector on 9th January, below is a short response on behalf of **Hill Residential Ltd** with regards to the implications of the Government's Written Ministerial Statement (WMS) 'Planning - Local Energy Efficiency Standards Update' made on 13 December 2023.

The Inspectors notes they would welcome representations with regard to the points made within the WMS on the setting of local energy efficiency standards for buildings and planning policies that go beyond current of planned buildings regulations and how these policies and local standards should be considered in local plan examinations.

The December 2023 WMS sets out guidance from the Government on setting energy efficiency standards which go beyond current or planned building regulations. It specifically states that;

Any planning policies that propose local energy efficiency standards for buildings that go beyond current or planned buildings regulation should be rejected at examination if they do not have a well-reasoned and robustly costed rationale that ensures:

- *That development remains viable, and the impact on housing supply and affordability is considered in accordance with the National Planning Policy Framework.*
- *The additional requirement is expressed as a percentage uplift of a dwelling's Target Emissions Rate (TER) calculated using a specified version of the Standard Assessment Procedure (SAP).*

The Council's Net Zero policies NZC1, 2, and 3 requires homes to reduce carbon emissions in line with the 2025 Future Homes Standard (FHS) requirements, reduce energy demand, offset regulated emissions through on-site renewable energy generation, offsetting residual emissions. These policies go beyond the requirements of the 2025 FHS as proposed in the Government's December 2023 consultation.

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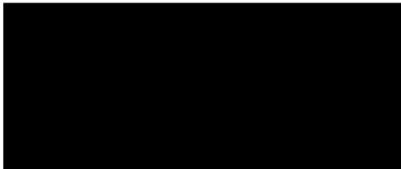
As part of the representations prepared in November 2023 on behalf of Hill Residential Ltd in respect of their land interests in Warwick, and in response to the Council's Net Zero SPD consultation we noted a number of potential issues which are relevant with regards to the Government's WMS.

Viability – The updated DPD Viability assessment (Document SUB6) includes a 6% uplift allowance for the costs of the DPD policies, however, since this was prepared in 2022 there have been significant changes in the housing market driven by significantly increased interest rates, combined with inflationary costs on materials and construction it is likely the viability of these policies has been reduced. We noted that the Future Home Hub Ready for Zero publication (2023) notes cost uplift ranging between 2% - 19% for homes meeting the FHS to Net Zero homes (regulated)¹, this is substantially different to the sources used in the preparation of the DPD. The 2025 FHS consultation published in December 2023 sets out potential costs for the FHS of c.1-4%. As the requirements of the DPD go beyond the 2025 FHS the DPD viability assessment should be revised to ensure it considers the Government's evidence and baseline FHS costs before the Council's additional requirements are considered to ensure the policy is viable and does not impact on housing supply and affordability.

Setting carbon targets – The WMS notes that additional requirements should be made in the context of further improvements to a dwellings Target Emissions Rate (TER). Policy NZC2(A), making buildings energy efficient requires development to demonstrate a 10% improvement on the Part L 2021 Target for Fabric Energy Efficiency. In the context of the WMS this requirement should be removed from the DPD.

In this context we believe that elements of the Net Zero DPD need to be revisited to ensure the requirements reflect the Government's WMS statement, and updated available evidence to ensure the policies are viable.

Yours sincerely



Paul White
Director, Sustainability and ESG



¹ <https://irp.cdn-website.com/bdbb2d99/files/uploaded/Ready+for+Zero+-+Evidence+to+inform+the+2025+Future+Homes+Standard+Task+Group+Report+FINAL+-+280223+-+MID+RES.pdf>