

# Examination of the Climate Emergency Review of the Lancaster District Strategic Policies and Land Allocation Development Plan Document (DPD) and the Development Management DPD

Inspector: Joanna Gilbert MA (Hons) MTP MRTPI

Programme Officer: Carole Crookes

By email

2<sup>nd</sup> December 2022

Dear Ms Gilbert,

Thank you for your Post Hearings letter to the council dated 10<sup>th</sup> November 2022. In response to this, and your comments made in paragraph 15 of your letter where you offer the Council the opportunity to respond to your initial thoughts, the Council has set out below how it intends to move forward, and also raises some queries, on which we would appreciate additional clarification from you.

The Council welcomes your comments made in paragraph 4 of your letter that *subject to Main Modifications, it is likely that the Plans would be found to be legally compliant and sound.*

## **Policy DM30a: Sustainable Design and Construction**

At paragraph 15 of your letter to the Council, you state *'In light of the legislative and national policy circumstances set out above, I am concerned that the Council's three step approach is inconsistent with national policy'*. The Council is not clear whether your concerns mean that you are concluding here that the Council should not be setting its own Local Authority Energy Efficiency standards or that it is just the three-step approach which you have concerns over - the Council would appreciate additional clarity on this if possible.

Our position on this approach to setting our own standards was set out in the Council's response to question 3.5 of your MIQs. The Council also wishes to draw attention to an [email sent to Bath & North East Somerset Council \(Bathnes\) by DLUHC](#) (dated 22/06/22) which clearly states that ***"Plan-makers may continue to set energy efficiency standards at the local level which go beyond national Building Regulations standards if they wish."***

We also wish to draw to your attention to recent Local Plans that have included carbon reduction and energy efficiency/fabric first approaches. The Bathnes Local Plan Partial Update<sup>1</sup> and the Cornwall Climate Emergency DPD<sup>2</sup> both include policies which set out an energy hierarchy prioritising fabric first and a requirement for net zero carbon. Both Councils have received post hearing letters where the Inspector has not raised concerns with regard to the principle of setting carbon, fabric first or

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<sup>1</sup> [Policy SCR6 Sustainable Construction Policy for New Build Residential Development – Bath & North East Somerset Council \(Bathnes\).](#)

<sup>2</sup> [Policy SEC1- Sustainable Energy and Construction- Cornwall Climate Emergency DPD](#)

energy efficiency standards<sup>3</sup>. The [adopted Eastleigh Local Plan](#) includes a policy (Policy DM2, Environmentally sustainable development, page 63) which requires a 19% improvement on carbon emissions above the building regulations at the time (up to net zero carbon).

Lancaster City Council is pursuing a fabric first approach not only for its contribution to meeting net zero but also for the co-benefits for occupants outlined in Evidence Base Document (P\_20.2). These co-benefits include:

- reducing overall energy use (pg. 47);
- reducing occupant bills and helping alleviate fuel poverty (Pg. 6);
- improvement for health and wellbeing (Pgs. 39, 56, and 57); and
- reducing the need and cost burden for retrofitting (Pg. 53).

The Council considers that an approach which can deliver all these co-benefits is crucial, given the current energy and cost of living crisis.

The Council is not clear in what context you are suggesting that the three steps within policy DM30a have not been consistently viability tested. The Council would welcome clarification on; whether you are concerned that the three steps have not each been viability tested, or, whether there is general lack of consistent viability testing within the Viability Assessment documents? If the latter applies, then please would you advise in what way you are concerned that there is inconsistency given that the discrepancies raised by Cushman and Wakefield have all been addressed and do not form inconsistencies with the testing.

For the purposes of clarity, **the three steps within policy DM30a have been viability tested**, this is clarified within the Viability Assessment addendum (P\_20.4) at para 2.2. The following carbon reduction scenarios have been viability tested:

1. Part L2021 – c31% reduction
2. Future Homes – c75% reduction
3. Passivhaus classic – c75%+ depending on energy source (based on fabric first approach)
4. Passivhaus plus – zero carbon to net positive (based on fabric first approach plus renewable energy)

Paragraph 5.38 of the Viability Assessment Main Report (P\_20.1) and table 2.1 of the Viability Assessment – Addendum (P\_20.4) set out the uplifts applied within the assessment to address the various carbon reduction requirements as follows, with costs for meeting each standard provided by specialist cost consultants WWA:

1. Part L 2021 – 4% uplift (in costs over Building Regs 2013)
2. Future homes – 11% uplift (Future Homes Standard uplift in costs over Building Regs 2013)
3. Fabric first (Passivhaus classic equivalent) – 4% uplift (in costs over Building Regs 2013, which is the same as Building Regs 2021 - see paras 5.38 and 6.4-6.5)
4. Fabric first and onsite energy (Passivhaus plus equivalent) – 7% uplift (zero carbon) (costs over Building Regs 2013)

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<sup>3</sup> [Interim Inspector's letter - Cornwall Council](#) and [Interim Inspector's letter - Bathnes](#)

The viability testing corresponds with the steps within policy DM30a as follows (the numbers to the left relate to the numbers for the classifications above):

1. Step 1 - A minimum 31% reduction in carbon emissions against Part L of the Building Regulations 2013

The viability assessment tested the costs associated with Part L of the Building Regulations 2021 to ensure that development could meet the increased requirements arising from the uplift in Building Regulations. The carbon reduction associated with the 2021 Building Regulations equates to the 31% carbon reduction requirement within the first step.

Regardless of the Local Plan policy, developers will need to build to these standards and incorporate them into their costs as of June 2023. The evidence within P20.2 shows that the requirement costs associated with the fabric first and energy hierarchy approach (Passivhaus classic) are more cost effective than the 2021 Building Regulations approach and would add no further cost. Figures 6.2, 6.6, 6.10 and 6.14 show the viability results for (b) 2021 Building Regulation standards.

2. Step 2 - A minimum 75% reduction in carbon emissions against Part L of the Building Regulations 2013 to be achieved through a reduction in energy consumption via a fabric first approach

The second step requiring a 75% reduction in carbon emissions has been tested using the fabric first and energy hierarchy approach within policy DM30a. This is referred to within the Viability Assessment as the fabric first Passivhaus equivalent or Passivhaus Classic. The uplift associated with the second step is at 4% using the cost-effective fabric first and energy hierarchy approach within the policy. As the cost uplift is the same as that associated with the 2021 Building Regulation standards, the viability results for (d) fabric first (Passivhaus equivalent), which equates to the 75% reduction in carbon to be achieved through a fabric first approach, are included within the same figures - 6.2, 6.6, 6.10 and 6.14 (P\_20.1). By contrast, although the 'standard' Future Homes 2025 technical specification is yet to be scoped, it is clear from the 2019 Future Homes consultation that it could be more expensive than the fabric first approach advocated by Policy DM30a. WWA has estimated from the information available that it will have a 7% increase in costs over 2013 Building Regulations. This is then not only lower delivery cost for developers but also delivers homes with co-benefits for occupants over the building's lifetime.

3. Step 3 - Net zero carbon emissions to be achieved using the approach in the energy hierarchy

The third step requiring a net zero approach or Passivhaus plus equivalent using the fabric first and energy hierarchy approach has been tested with the viability results shown at figures 6.4, 6.8, 6.12 and 6.15 (P20.1). This can be achieved through the addition of solar to Step 2 (Passivhaus equivalent or Passivhaus Classic). The solar costs from WWA were added to the Step 2 costs (see table 2.1 of P\_20.4).

Figures 6.16 and 6.17 (P\_20.1) show the viability results for the full range of alternative building standards mentioned above.

The Viability Assessment studies (P\_20.1 to P\_20.4) follow a standard approach which is compliant with the NPPF and guidance. It takes account of local values and costs as well as the full set of policy and regulatory requirements. These are applied to a set of typologies of different types and scales tested in the different value areas in Lancaster district. For the work undertaken in Lancaster, the viability testing included the costs of the different building standard steps proposed to address climate change, and these costs are based upon building specifications provided by Enhabit (P\_20.2) which

were then costed by WWA (P\_20.2 pg 71 and P\_20.4 Chapter 2). These different costs are applied to the base models in order to understand the viability impacts of the different standards. This is a standard approach that has been found sound at numerous EiPs.

The Viability Assessment shows that the three-stage approach is not necessary for viability reasons, instead the approach has been included by the Council simply to offer assistance to the development industry by allowing developers a transition period to adapt to the changing standards. This approach follows national Government's proposals for a stepped approach to addressing climate change - Lancaster has mirrored the first two steps, in terms of reducing carbon emissions, in the 2021 Building Regulations and Future Homes Standards and provides more certainty to delivery of the third step (i.e. the energy decarbonisation to move from net zero ready to achieving net zero). The steps have clearly been adequately accounted for and tested as evidenced above.

If you have reservations with regard to the stepped approach, then the Council would welcome a main modification to remove the first step rather than the deletion of all the steps within policy DM30a. If your concerns relate to all three steps of the stepped approach and you consider that all three stages should be removed, please could you advise what you envisage the policy would therefore look like? Should the Council instead move straight to its Net Zero position on adoption of the plan, with a short transition? (removing the previous two steps which were included only to assist the development industry as described above).

In light of your concerns regarding the three-step approach, the Council would also welcome direction on whether this results in the fabric first approach (and related use of the energy hierarchy), of which there are significant co-benefits attached, being removed. If this is to be the case then significant re-writing of Policy DM30a, not only the three-step approach will be required.

As the queries you have raised around Policy DM30a were not explored during the Hearing sessions in October, and therefore discussion and debate was not undertaken on this matter, then the Council wishes to make clear that it would welcome the opportunity for an additional Hearing session (or sessions) if you considered this to be necessary to discuss this matter further.

### **Policy DM33: Development and Flood risk**

The Council is content with making the modification set out in your letter in order for the policy to be Consistent with National Policy.

### **Policy DM34: Surface Water Run-off and Sustainable Drainage**

The Council wishes to clarify which sentence requires deletion. Sentence 5 reads:

*"On previously developed sites, sustainable drainage systems should achieve greenfield rates, unless the existing drainage system will be reused in its entirety, in these cases additional measures should be included to ensure that the discharge rates are at least 30% lower than the existing rate".*

Whereas sentence 6 appears to be a grammatical error and reads:

*"The applicant".*

It is the Council's view that sentence 6 rather than sentence 5 should be deleted but we would welcome clarification on this matter.

**Policy DM43: Green and Blue Infrastructure & Policy SP8: Protecting the Natural Environment**

The Council is content with making a modification to the text of the first paragraph of Policy DM43 as set out in your letter in order for the policy to be consistent with Policy SP8. The proposed text is set out below, along with Policy SP8 for the purposes of clarity and comparison.

**Policy SP8: Protecting the Natural Environment**

Lancaster district contains important landscapes, species and habitats that are valued features of the natural environment. Development is expected to protect and maintain, and where possible maintain, enhance and/ or extend the district's green and blue spaces, corridors and chains that make up the wider green and blue infrastructure network, and their multifunctional value, integrity and connectivity to ensure the network is as resilient as possible to the impacts of climate change.

**Policy DM43: Green and Blue Infrastructure**

The Council seeks to protect the District's green and blue spaces, corridors and chains to prevent the fragmentation and isolation of these valuable assets that contribute towards the wider green and blue infrastructure network. ~~Green Infrastructure~~ To achieve this the integrity and connectivity of the Green and Blue Infrastructure network will be protected, managed, maintained protected and and where possible enhanced and/ or extended to improve the quality and value of the District's green and blue spaces, corridors and chains.

**Policy DM62: Vehicle Parking Provision and Electric Vehicle Charging Points**

The Council is content with making the modification set out in your letter in order for the policy to be Justified.

**Sustainability Appraisal/ HRA**

The Council will consider any commensurate changes required to the Plans' Sustainability Appraisal and Habitats Regulations Assessment, as necessary, following additional clarification from you on the matters raised above.

Yours sincerely



Maurice Brophy

Service Manager – Planning and Housing Strategy  
Lancaster City Council