Savills on behalf of the Defence Infrastructure Organisation

Examination into the Central Lancashire Local Plan 2023-2041

Hearing Statement

Matter 13 – Climate Change Policies
(Policies CC1-3)

Issue 13 – Does the Plan set out a positively prepared strategy and policies in relation to climate change, which is justified, effective and consistent with national policy?

13.1 Are the requirements of Policies CC1- CC3 clear, effective and consistent with national policy? In particular:

a) In relation to Policy CC1 does the policy go beyond the requirements of national policy and in doing so, is it sound? How will "maximising opportunities" be assessed?

1. With regard to the first point on whether the policy goes beyond the requirements of national policy, the stated requirement under CC1 clause 2 for applications for major development to demonstrate how the net zero greenhouse gas emissions target appears to go beyond national policy in that national policy does not require new development to achieve net zero emissions.

2. The forthcoming national Future Homes/Building Standard will not require new residential or non-domestic buildings to reduce emissions to zero.

3. Furthermore, the policy does not contain details of which category of emissions are to be included within the definition of 'net zero'. Typically, emissions from new development are split into three categories:

    1. Embodied emissions. These emissions are those that arise from the extraction, processing, transportation, assembly and maintenance of construction materials to create and operate buildings. These are not regulated by national policy.

    2. Regulated operational emissions. These emissions are those that arise from the operation of the building and are influenced by its design and specification. Regulated emissions include those from heating, hot water, cooling, lighting, ventilation fans and water pumps. These emissions are controlled by national policy through Part L of the Building Regulations.

    3. Unregulated operational emissions. These emissions are those that arise from the operation of the building due to additional items the user installs. Typically, cooking, appliances, computers and other process loads that are not controlled by the developer. These emissions are not regulated by national policy.

4. Combined, these emissions are known as 'whole life-cycle' carbon emissions. This is referenced as being part of the Energy Statement, which suggests that the 'net zero emissions' target should include all three emissions sources quoted above, although this is not clear in the policy or supporting text. As such, the policy cannot be deemed to be effective.

5. With regard to the second point on how 'maximising opportunities' will be assessed, the policy states that an Energy Statement should be used to demonstrate how whole life-cycle emissions have been calculated and reduced to meet a net zero target. This would be an effective demonstration of opportunities being

maximised to reduce greenhouse gas emissions, subject to the points raised above. However, no details are provided on the metrics or targets for other items listed in clause 1.a of the policy, notably:

- Minimise the need to travel and car dependency;
- Promote active travel and the use of public transport;
- Provide infrastructure to support the transition to zero and low carbon vehicles;
- Minimise water use;
- Encourage waste minimisation and prevention;
- Maximise energy and resource efficiency and promote a circular economy; and
- Provide carbon storage and sequestration through nature-based solutions.

6. The contents and aims of the Energy Statement and therefore the definition of 'maximising opportunities' are also not aligned with the requirements of policy CC3, as set out in our response to item (b) below.

b) In relation to CC3 does the policy provide sufficient clarity as to what the energy statement should contain and how the aims of the policy are to be achieved?

7. The text for clause 1 of policy CC3 states that the Energy Statement should show how the development proposals will minimise whole life-cycle carbon emissions and maximise on site carbon reductions. The objectives of the policy are therefore clear, if not entirely aligned with policy CC1 (see above). However, the detail of the policy lacks clarity in how this information should be calculated and presented to ensure consistent application and interpretation by Case Officers. References to Building Regulations and industry best practice, such as the RICS Whole Life Carbon Assessment, Professional Standard, 2nd edition are absent, and the inclusion of such references would aid applicants in defining what the Energy Statement should contain. The policy also contains no carbon reduction or onsite energy generation targets which could be used to determine when the aims of the policy have been satisfactorily achieved.

8. In addition, clause 2 of the policy makes reference to other sustainable design issues that are not directly related to energy consumption and carbon emissions, including green and blue infrastructure, tree planting, building overheating and urban heat temperatures. The policy is unclear as to what needs to be provided to demonstrate performance against these issues. No calculation methodologies or performance standards are quoted to provide applicants with assurance that their schemes meet the required standards.

9. The third and fourth clauses of the policy refer to objectives to reduce energy and water consumption, in accordance with other Local Plan policies. However, no direct references are provided and no targets are set. Again, this has the potential to confuse applicants.

10. The fifth clause requires applicants proposing to demolish existing buildings to demonstrate why the building cannot be retained and reused. Without specific criteria stating what performance metrics will be used to assess this, it will be difficult for Case Officers to provide consistent advice to applicants and decide whether sufficient evidence to justify demolition has been provided.

c) Have the requirements of policies CC1-CC3 been appropriately considered within the Whole Plan Viability Appraisal and what are the anticipated cost implications of the policies?

11. It is likely that building to higher energy efficiency and sustainability standards will have an impact on construction costs. Additional insulation, better air tightness, and the addition of heat pumps and photovoltaic panels will form the foundation of homes and buildings that are ready for the net zero carbon economy. Whilst there will be a certain level of improvement mandated by Building Regulations in the form of the Future Homes/Buildings Standard, this will not lead to net zero carbon buildings that meet all of their energy needs from onsite sources, which seems to be the intent of policy CC1. It is therefore likely that building to meet the requirements of policy CC1 will entail higher build costs than building to a policy compliant standard.

12. The viability report, produced by Aspinall Verdi (Central Lancashire Local Plan Viability, Main Viability Report, February 2025) includes a recommendation that,

'*the policies in respect of Net Zero energy and other design costs e.g. BNG are set at a minimum Building Regulations / national policy level. This is in accordance with the written ministerial statement (WMS). The WMS states that, 'the Government does not expect plan-makers to set local energy efficiency standards for buildings that go beyond current or planned buildings regulations. The proliferation of multiple, local standards by local authority area can add further costs to building new homes by adding complexity and undermining economies of scale' and we concur with these findings herein*.'

13. This implies that policy CC1 is in exceedance of the forthcoming Building Regulations policy level to be set by the Future Homes/Buildings Standard.

14. Furthermore, the Aspinall Verdi report's Residential Typology matrix (Appendix 2) quotes a cost figure of £50 per square metre to meet the Part L / Future Homes Standard 2025. Again this suggests that the viability assessment has only included costs to meet the forthcoming regulatory minimum and has not assessed any additional costs required to achieve the net zero target contained within policy CC1.

15. It is also worth noting that whilst the viability appraisal includes some additional costs to meet forthcoming energy efficiency standards, no other policy costs have been applied to the viability models. As stated above, the other, non-energy/carbon policy requirements in CC1-CC3 are somewhat vague and it is therefore difficult to determine realistic costs against them. It is likely that some of these, such as passive design through orientation and façade design, can be delivered at zero cost through thoughtful design, whereas others, such as water consumption reduction measures, may have additional costs premiums not accounted for in the viability appraisal.

16. To conclude:

    1. The viability appraisal does include some additional costs that relate to the energy efficiency of new development.

    2. The costs do not cover the complete, net zero, intent of policy CC1.

    3. There are no additional costs included in the viability appraisal for other policy requirements arising from CC1-CC3.

    4. Therefore the requirements of policies CC1-CC3 have not been appropriately considered within the Whole Plan Viability Appraisal.

    5. Additional costs implications cannot be fully determined without more detail on the performance standards required by policies CC1-CC3.

17. Additional commentary and proposed amendments to draft policy text is provided within the Regulation 19 representations.