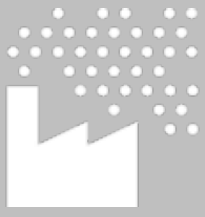
East Hampshire

Net Zero Local Plan:

Advice on recent policy announcements and consultation responses to CLIM1-5

August 2024



Title	East Hampshire: Net Zero Local Plan Evidence Base (Task E) – *Advice on recent policy announcements and consultation responses to CLIM1-5*
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Recipient	Kevin Thurlow, Amanda Dunn
Report Reference	3396
Report Status	Final
Revisions	V2

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Introduction

East Hampshire District Council (EHDC) commissioned Ricardo to produce a Net Zero Local Plan Evidence Base Study in 2022. Since that study was published, there have been a variety of policy changes that affect the climate-related policies EHDC is seeking to pursue. EHDC has also conducted a public consultation and received feedback on the policies contained in Regulation 18 draft Local Plan. EHDC has commissioned Aether and Ricardo to (1) review the changes in policy context and advise on potential ways forward, and (2) suggest ways that EHDC might respond to the feedback received as part of the public consultation. Key take-home messages are provided below.

Responding to the policy context

How do the policy changes that have occurred since 2023 affect EHDC's emerging Local Plan?

The Written Ministerial Statement (WMS) issued in December 2023 states that Local Planning Authorities (LPAs) are allowed to set local energy efficiency standards, provided that they use metrics which relate to national Building Regulations. East Hampshire District Council (EHDC), like many other LPAs, has proposed net zero standards for new residential developments that use different metrics. This suggests that Policy CLIM2 may need to be rewritten.

An open legal opinion commissioned by Essex County Council suggests that LPAs can go ahead with this type of policy, but advice commissioned by EHDC concluded otherwise. In July 2024, the High Court rejected a legal challenge to the WMS that was lodged by Rights Community Action and the Good Law Project. Unless there is a change in national policy, there is a high risk that the current draft Local Plan policy wording would be rejected.

This issue primarily affects the operational net zero carbon requirements for new residential developments in Policy CLIM2.1(b). The issue does not affect the targets for non-residential developments in Policy CLIM2.3(e) because these already use the metrics specified by the WMS. Other policies are not directly affected. However, an indirect consequence of removing the energy efficiency standards for residential developments would be that it would be more difficult to meet residual energy demands via on-site renewables, as required by Policy CLIM2.1(c).

Changes to Building Regulations (via the Future Homes Standard and Future Buildings Standard) and the adoption of the Home Energy Model are not considered to have a significant impact on EHDC's proposed policies.

What happens next?

Options for Policy CLIM2.1(b) include:

- Retaining the current wording, recognising that the policy may be rejected.
- Rewriting the policy to use the metrics specified in the WMS – essentially mirroring the wording used for non-residential developments in Policy CLIM2.3(e).
- Potentially, updating the wording so that the target is introduced in phases – for example, saying developers are 'strongly encouraged' to meet the target from the time of the Local Plan being adopted, which will become mandatory if and when the policy position changes.

- Shifting focus to the policy alternatives identified in the previous evidence base study.

- Strengthening the embodied carbon requirements in Policy CLIM3 by introducing quantitative targets. There is now a precedent for doing this, in the adopted Bath and North East Somerset Local Plan Partial Update. That was not the case when the original evidence base was produced which is why it was not one of the main alternatives that were proposed. This would have significant GHG emissions benefits, but would require some additional evidence on technical and viability impacts to establish a suitable target.

Consultation responses to the Regulation 18 draft Local Plan

EHDC provided Aether and Ricardo with a summary of the consultation responses that were received. Our team has reviewed these responses and provided suggestions on how EHDC could potentially choose to respond. Aside from potentially revising Policy CLIM2.1(b), the key actions EHDC should take are to:

- Clarify the policy on off-site gas-fired CHP (sample policy wording is provided in Section 3.3.1).
- Discuss further options for promoting energy efficiency in the existing stock.
- If introducing an offsetting fund, consider using it to support local retrofitting projects.
- Potentially provide additional evidence on embodied carbon.
- Decide on the approach to implementing Policies CLIM1-5, including:
    - What assessment method(s) should be used; and
    - How the policies will be monitored and enforced.
- Provide more detail on the form and content of Sustainability Statements.
- Clarify whether Sustainability Statements are required for changes of use for non-residential developments over 500m^2.
- Consider whether the Local Plan should prohibit the use of plastic turf.

Next steps

Once EHDC has reviewed this report, recommendations can be incorporated into future iterations of the Local Plan, where EHDC considers this to be suitable.

➔ *In the remainder of this report, key take-home points have been highlighted using an arrow and blue text, as shown here.*

1 Introduction

1.1 Background to the study

In recognition of the climate emergency, East Hampshire District Council (EHDC) has stated its intention that all new development within the District should be net zero carbon. The Regulation 18 Draft Local Plan for East Hampshire contains a number of policies aimed at achieving this goal, while more broadly ensuring that developments have a low environmental impact and are resilient to the effects of climate change. Those policies are informed by an evidence base which set out a range of policy options, describing their relative pros, cons and other practical implications.

Since the original evidence base study was published, there have been several announcements relating to national policy and Building Regulations which affect some of EHDC's proposals. The Regulation 18 consultation also produced a wide variety of responses from members of the community, developers and other stakeholders which need to be taken into account. Therefore, EHDC has commissioned Ricardo and Aether to:

- Provide a review of the policy changes set out in the Written Ministerial Statement (WMS) titled 'Planning – Local Energy Efficiency Standards Update', in the context of proposals for the Future Homes and Building Standards and the Home Energy Model that were unveiled in December 2023

- Then, taking this review into account, analyse the Draft Local Plan consultation responses for Policies CLIM1-CLIM5 and suggest potential responses

This information will help EHDC identify a set of reasonable policy alternatives that can be evaluated and potentially included within the Pre-Submission (Regulation 19) Local Plan.

1.2 Structure of this report

The remainder of this report is structured as follows:

- **Section 2** provides a short summary of relevant changes to the context for planning policy making since the original evidence base study was published. It highlights implications for Policies CLIM1-CLIM4, as well as the alternatives that were set out in the previous study.

- **Section 3** summarises relevant consultation responses that were received for the Regulation 18 Draft Local Plan and describes ways that EHDC could respond.

- **Section 4** provides brief conclusions based on the above findings.

- The **Appendix** contains EHDC's summary of the consultation responses it received, along with some additional minor comments from the Aether and Ricardo team.

Note: At the time of writing (June 2024), there is significant uncertainty regarding:
- The legal context – recognising that the WMS has faced various legal challenges
- Technical details of new Building Regulations – these are yet to be published
- The wider direction of policy – due to the change of government in July 2024

This report endeavours to summarise the situation as it currently stands, recognising that this is subject to change.

2 Responding to the policy context

2.1 Changes since 2023

A variety of changes have occurred since the previous evidence base study was published:

In December 2023, the Government issued a **Written Ministerial Statement** (WMS) that constrains the way that Local Planning Authorities (LPAs) can set local energy efficiency standards.

This has received a mixed response and been subject to various **legal challenges**, as well as push-back from industry and community groups.

In the same month, it published a consultation on a new **Future Homes Standard** and a **Future Buildings Standard** (FBS), for residential and non-residential buildings respectively.

It also issued a consultation on a **Home Energy Model** (HEM) to assess the energy performance of buildings, which would replace the Standard Assessment Procedure (SAP) that is currently in use.

Notwithstanding these changes, during this time several LPAs have also successfully adopted **new Local Plan policies** that demonstrate best practices.

A new government would likely **change the direction of future national policies**.

These are discussed below in turn.

2.2 Written Ministerial Statement

2.2.1 Background

➔ *LPAs are permitted to set energy efficiency standards that exceed the minimum requirements of Building Regulations.*

The December 2023 WMS addresses the topic of LPAs setting energy efficiency standards that go beyond the minimum requirements set out in the Building Regulations. Under the Planning & Energy Act 2008, LPAs are allowed to set such standards. The same piece of legislation allows them to require a proportion of energy demands to be met via on-site renewables.

Since 2015, a series of policy announcements have cast doubt on whether this is still the case. Furthermore, in the past few years, as local authorities have increasingly declared climate emergencies, various jurisdictions have tried to implement higher energy efficiency standards in order to reduce the greenhouse gas (GHG) impacts of new developments. These have used a variety of policy approaches which are summarised in the previous evidence base study. However, planning inspectors have taken different views on whether it is permissible. This has led to significant confusion, which was acknowledged in the Government's response to the 2021 FHS consultation

(see Chapter 2) . The WMS addresses this inconsistency and seeks to provide clarity to LPAs, developers and other stakeholders on what is acceptable.

The other important piece of context is that the WMS was issued in the same month as the Government consultations on changes to Building Regulations (see Section 2.4). One of the outcomes from the updated Building Regulations would be to reduce GHG emissions from new buildings. The WMS specifically references these changes, highlighting the advantages of rationalising energy efficiency and GHG performance standards nationwide.

2.2.2 Key requirements

➔ *The WMS requires energy efficiency standards to be expressed using a different metric than the one currently being used in CLIM 2.1(b).*

The WMS explains that, although LPAs are not 'expected' to set standards that exceed Building Regulations, they are still permitted to do so.[1]

The most important provisions of the WMS (as it relates to the East Hampshire Local Plan) state 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).*
>
> *Where plan policies go beyond current or planned building regulations, those polices should be applied flexibly to decisions on planning applications and appeals where the applicant can demonstrate that meeting the higher standards is not technically feasible, in relation to the availability of appropriate local energy infrastructure (for example adequate existing and planned grid connections) and access to adequate supply chains.'*

2.2.3 Implications for East Hampshire's Local Plan

➔ *CLIM 1 and CLIM 2.1(b) may be rejected unless the latter is rewritten to use the metric specified in the WMS. Other policies are not affected.*

The main implications are:

- **It specifies that improvements must be expressed as a percentage uplift (i.e. improvement) in emissions, as compared with Building Regulations.** As explained in the previous evidence base study, this is insufficient to deliver developments that are truly net zero carbon in operation because Building Regulations exclude some major sources of operational emissions. Adopting this approach would therefore not accord with EHDC's

[1] The WMS also explicitly supersedes a previous policy from 2015 which prohibited LPAs from setting energy efficiency standards that were higher than the (now-withdrawn) Code for Sustainable Homes Level 4.

previously stated climate commitments. On a more practical level, it creates two issues for Plan-making:

  - The current (Regulation 18) draft policy wording in CLIM2.1(b) uses a different metric, an energy use intensity (EUI) target, which is expressed in kWh/m^2. The policy may therefore need to be re-worded to reflect the Government's preferred metric.

  - For residential developments, the current draft policy applies to *all* operational emissions, whereas a metric that is defined in relation to Building Regulations implicitly only relates to regulated emissions, which are a sub-set of operational emissions. The policy may therefore have to be limited to regulated emissions only. It might be possible to require more than a 100% improvement on Building Regulations, and calculate the required improvement such that it covers unregulated emissions as well, but this would likely lead to confusion and further issues.

- **It places a renewed focus on costs and viability.** It is the usual legal position that Local Plans must consider viability and housing provision, and EHDC has already done so in preparing the draft Local Plan, so this may not have any impact. The existing evidence base draws from a range of other published viability studies, but a locally-bespoke costing exercise was not carried out. Objectors could potentially point to the WMS as additional reason to undermine the policy on this basis.

- **Where developers claim that the standard cannot be met on-site, it requires EHDC to take a more flexible approach to determining applications.** Although this is already addressed in the draft wording (CLIM2.2), this would potentially make it harder to implement the policy, and go against EHDC's commitment for all new development to be net zero.

CLIM2.3, which applies to new non-residential development of 500m^2 or more, is defined in a way that already complies with the WMS; it is unlikely this policy would require re-wording on that basis.

Alongside the requirement to meet higher energy efficiency standards, CLIM2.1 requires proposals to meet 100% of energy demands via on-site renewables, and prohibits the use of on-site fossil fuel heating systems. These three components collectively form the basis of EHDC's net zero carbon development policy, but the WMS does not directly address the latter two, which are therefore assumed to be unaffected – at least in theory. In practice, there is a risk that if buildings are less efficient and have higher energy demands, then:

- The requirement to meet 100% of residual energy demands with on-site renewables would be much more difficult to meet; and

- Constraints on electricity grid infrastructure might make it more costly to deliver homes with electrically-powered heating systems.

These issues could make it harder to implement those parts of CLIM2, even though they do not directly relate to energy efficiency.

2.3 Reaction to the WMS

2.3.1 Industry response

➔ *The WMS has had a mixed reaction and been challenged by several industry groups who argue that it prevents LPAs from adopting best practice GHG performance standards.*

Following the WMS, a letter was sent to the Secretary of State by the Town and Country Planning Authority (TCPA), along with a significant number of industry groups, businesses, NGOs and local authorities, to express concern about its implications.

The main argument put forth in the letter was that the WMS unduly limits LPAs' ability to mitigate GHG emissions by setting technically robust, well-evidenced local energy performance standards. It highlights that the preferred metrics set out in the WMS are flawed and would fail to deliver net zero buildings, arguing that, *'Government must not prescribe approaches which both undermine their own carbon reduction targets and prevent the innovation in policy and technology which this nation urgently needs to tackle the climate crisis.'*

The Department for Levelling Up, Housing and Local Communities responded to the letter by reiterating that LPAs can still set local standards, highlighting the benefits of a consistent national approach, and signposting to the consultation on changes to Building Regulations.

2.3.2 Legal response

➔ *The High Court has dismissed a legal challenge to the WMS. EHDC has also been advised that the current policy wording is at risk of being rejected unless it is revised.*

High Court challenge

In February 2024, a legal challenge was launched by the Good Law Project and Rights Community Action groups. The High Court agreed to carry out a judicial review of the WMS in response to claims that it contravenes:

- The objectives of the Climate Change Act 2008, which introduced legally-binding national GHG reduction targets; and
- The Environment Act 2021, which requires policies to be assessed for their environmental impacts.

At the time of writing (June 2024) the case is due to be heard at the High Court imminently.

[N.B. After this report was prepared, this challenge was dismissed.]

Other legal responses

Some LPAs have sought legal advice following the WMS. An initial high-level review suggests that only one legal advice note has been published; this was commissioned by Essex County Council. EHDC has also sought separate legal advice, a draft of which has been supplied to Ricardo and Aether. These come to different conclusions, which means this is a legal grey area and poses a risk in terms of having the Local Plan policy approved.

Writing on behalf of Essex County Council, Estelle Dehon KC has advised that net zero policies can still be pursued:

> *'The 2023 WMS cannot be interpreted to prevent LPAs from putting forward, and planning inspectors from finding sound, policies which are justified and evidenced and which use metrics other than that specified in the 2023 WMS, and/or do not require calculation by the method specified in the WMS. Additionally, local decision-makers are free to rely on local or exceptional circumstances to depart from the 2023 WMS.'*

She further writes that, 'LPAs which have sought to include policies in their local plan mandating energy efficiency standards above the national baseline have been successful.' At the time of writing, adopted Local Plans with EUI-based net zero policies include:

- The Cornwall Climate Emergency Development Plan Document (February 2023)
- The Bath and North East Somerset (BANES) Local Plan Partial Update (January 2023)
- The Central Lincolnshire Local Plan (April 2023)

Ms Dehon KC states that there has been 'one exception' where a similar policy was rejected but that this decision was 'quashed by the High Court.' In this, Ms Dehon KC is referring to the draft Area Action Plan for Salt Cross, which was found unsound in early 2023. That decision was made largely on the basis that the Planning Inspector believed that the proposed net zero policy was inconsistent with a previous WMS from 2015 which prohibited LPAs from setting energy efficiency standards that were higher than the (now-withdrawn) Code for Sustainable Homes Level 4. The High Court found that the 2015 WMS has been superseded by changes in Building Regulations that came into effect in 2021 and by a policy paper issued in 2022, and the decision was overturned.

Note that, although the 'one exception' here refers to Salt Cross, a net zero policy proposed by Lancaster City Council was also challenged by the Planning Inspectorate in 2022 and was subsequently watered down in June 2023. Based on discussions with EHDC, it is understood that the contradictory decisions on Cornwall, BANES, and Lincolnshire compared with Salt Cross and Lancaster may have led to uncertainty among LPAs as to whether to continue pursuing similar policies, viewing it as a risky legal grey area.

EHDC commissioned Paul Brown KC to provide further advice on this topic. He concluded that:

> *'any local planning authority which seeks to bring forward policies which adopt energy efficiency standards which are not based on "a percentage uplift of a dwelling's Target Emission Rate (TER) calculated using a specified version of the Standard Assessment procedure (SAP)" can expect a difficult task at the Local Plan Examination, with a considerable risk that the Inspector will conclude that the policy is not sound.'*

Notwithstanding these issues, there are several alternative policy options that EHDC can consider; these are discussed in Section 4.

2.4 Future Homes Standard (FHS) and Future Buildings Standard (FBS)

➔ *The FHS and FBS would make new buildings 'zero carbon ready' by requiring the use of electric heating systems, although they would not be net zero from the outset. EHDC has announced a commitment to delivering net zero homes, so would need to consider the implications of allowing developments to meet these standards, which are less ambitious than the draft policy wording.*

The FHS and FBS are expected come into effect in 2025. A consultation on the technical specification was conducted from December 2023 to March 2024. Broadly speaking, these standards are intended to deliver 'zero carbon ready' buildings, i.e. ones that do not require major refurbishment to operate with net zero emissions. They will be energy efficient, and use heating systems that can be powered with 100% renewable electricity, either on-site or via the electricity grid. Once in place, these will form part of the national Building Regulations.

Future Homes Standard

The FHS consultation set out two options for the standards that new homes may be required to meet. These would deliver different levels of energy performance and bill savings for occupants. Option 1 would require solar PV, wastewater heat recovery, and decentralised mechanical ventilation systems, which would deliver lower energy bills for occupants but incur higher build costs. These features would not be required in Option 2, although it would achieve similar reductions in regulated carbon emissions due to the use of heat pumps and higher standards for airtightness.

Crucially, both of these options rely on future grid decarbonisation, and it is uncertain when this will occur. Therefore, critics have argued that the proposed FHS does not do enough to deliver net zero carbon homes. The UK Green Building Council (UK GBC), the Good Home Alliance (GHA) and other industry groups have raised concerns about the FHS for this reason, and also for the lack of ambitious fabric efficiency standards. The latter has been a particular focus of attention, because it will result in higher energy bills for occupants and put much greater demands on the electricity grid, requiring more costly upgrades.

A summary of the proposed changes, and their relevance to EHDC's policies, is provided below.

Proposed changes	Relevance to EHDC's policies
Energy efficiency: There would be minimal improvement in fabric efficiency compared with current (Part L 2021) requirements. This is mostly associated with setting stricter standards for airtightness.	The current wording in CLIM2 is in line with the energy efficiency standards recommended by the CCC whereas the FHS proposals are much less ambitious. Defaulting to the FHS would result in buildings being constructed to lower energy efficiency standards. Because EHDC has already committed to new homes being net zero, it would need to consider the implications of defaulting to the FHS.
Heating systems: In most cases, buildings would need to be heated with heat pumps, either individually or as part of a communal/district heat network, to comply with the minimum standards. Gas boilers and radiant electric heating would no longer be sufficient to meet Building Regulations.	The current wording in CLIM2 would require buildings to be heated without the use of on-site fossil fuels. This requirement is expected to become standard practice once the FHS is adopted (although until this happens, there is still some risk of buildings being fitted with gas boilers). An indirect, but positive, consequence is that the costs of commissioning and

	installing heat pumps may reduce over time, as the industry adapts to this new requirement.
On-site renewables: Current Building Regulations make it difficult for a home without PV to comply with the minimum performance requirements. Under Option 1 of the FHS, this would remain the case; however, under Option 2, it would be much easier to meet the requirements without PV.	If the Government chooses Option 2, developers may be less likely to install PV as there would be less incentive to do so.
Transitional arrangements: The Government consultation proposed that, after the regulations are laid, there will be either a 6- or 12-month period before they come into force. This will be followed by a 12-month transitional period when buildings can be constructed to the earlier standards, provided that a notice is submitted and the work has commenced prior to the new standards coming into force. These are intended to allow the development industry time to adapt to the new standards.	The Net Zero Local Plan Evidence Base study highlights that, to reduce cumulative emissions over the Local Plan period, a ban on gas boilers needs to be brought forward as soon as possible. However, under FHS proposals, buildings that are constructed during the traditional phase would potentially still use gas boilers and have worse energy performance.
Build costs: The above changes would result in higher build costs, according to the FHS Impact Assessment. The average increase in build costs across different housing types, based on an assumed build mix, would be c. £4,360 under Option 1 and c. £640 under Option 2.	Compared with that new, higher baseline, the additional costs of meeting a tougher standard (e.g. net zero operational emissions) will be lower.
Performance metrics: The 2021 FHS consultation considered whether to adopt different metrics for energy performance, including EUI targets (kWh/m^2). The Government has clarified that this approach will not be adopted; instead, the current set of metrics will be retained.	The current wording of CLIM2 uses different metrics than those used by the FHS.

Future Buildings Standard

The FBS proposes some improvements to performance targets for new buildings (see table below). It then presents two options which vary based on the total amount of PV that would be needed.

- Option 1 would require PV with 'panel coverage equivalent of 40% of the building's foundation area for side-lit spaces and 75% for top-lit spaces.'
- Option 2 would require PV with 'panel coverage equivalent of 20% of foundation area for side-lit spaces and 40% for top-lit spaces.'

As is the case with the FHS, this standard relies on grid decarbonisation in order for the buildings to achieve net zero regulated emissions.

A summary of the proposed changes, and their relevance to EHDC's policies, is provided below.

Proposed changes	Relevance to EHDC's policies
Energy efficiency: There would be minimal improvement in fabric efficiency compared with current (Part L 2021) requirements, except for warehouses and sports halls which would need to achieve better airtightness. Lighting and heat recovery systems for all building types would need to meet enhanced standards.	N/a as CLIM2 does not explicitly specify energy efficiency standards for non-residential buildings
Heating systems: In most cases, buildings would need to be heated with heat pumps, either individually or as part of a communal/district heat network, to comply with the minimum standards. Top-lit spaces could be heated with radiant electric heaters. Gas boilers would no longer be sufficient to meet Building Regulations.	As for the FHS, except that top-lit spaces could utilise radiant electric heaters
On-site renewables: Option 1, which requires more PV, is the Government's preferred option.	This is a positive step, although the amount of PV specified would likely not be sufficient to meet 100% of regulated energy demands.
Transitional arrangements: As for the FHS	As for the FHS
Build costs: The above changes would result in higher build costs; cost impacts vary depending on the building use category.	Compared with that new, higher baseline, the additional costs of meeting a tougher standard (e.g. net zero operational emissions) will be lower.
Expanding the definition of fixed building services: Lifts, escalators and moving walkways, which currently considered to be 'unregulated' energy uses, would be re-classified as 'regulated'.	This expands the scope of energy-related emissions that developers would need to address in order to comply with Building Regulations and CLIM2. To comply with CLIM2 would therefore also require more renewable energy (e.g. PV) to meet regulated demands.

2.5 Home Energy Model (HEM)

➔ *The HEM is fundamentally a technical change to the way that energy performance is calculated, and it is not expected to have a significant impact on EHDC's proposed policies.*

The HEM has been proposed as a **replacement for the Standard Assessment Procedure (SAP)**. A consultation on the HEM was issued on the same day as the consultation for the FHS and FBS in December 2023.

Its introduction will have **some implications for developers and consultants when assessing design options**, as some solutions will be more or less favourable in the new model compared with the current one. It also involves more detailed inputs, which will make the modelling process slightly more labour- and data-intensive. **Fundamentally, it is a technical change to the way that energy performance is calculated to show compliance with Building Regulations.**

CLIM2 uses different metrics that would need to be calculated via a separate methodology. Therefore, **the HEM is not expected to have a significant impact on EHDC's proposed net zero policies**.

There are a couple of minor implications:

- The 2023 WMS states that policies should be 'expressed as a percentage uplift of a dwelling's Target Emissions Rate (TER) calculated using a specified version of the Standard Assessment Procedure (SAP).' Because it specifically refers to SAP, it may be assumed that when HEM comes into use, the WMS will be superseded, in part if not in full.

- Some LPAs, including Cornwall and BANES Councils, have been developing a tool to convert SAP outputs into EUI metrics. This would make it easier to demonstrate compliance with those councils' net zero policies, avoiding the need to use a different software such as the Passivhaus Planning Package (PHPP). If EHDC was considering a similar approach, note that a new tool would need to be developed to achieve the same outcome using HEM.

2.6 Recently-adopted Local Plan policies

➔ *There is now a precedent for adopting quantitative embodied targets into a Local Plan. EHDC should consider this option as a potential policy alternative.*

Since the original evidence base was published, **various LPAs have sought to incorporate EUI-based net zero policies**. These have been adopted by Cornwall, Bath and Northeast Somerset (BANES) and Central Lincolnshire, while many others are pursuing similar approaches in their draft Local Plans.

Notably, **BANES has successfully adopted a quantitative embodied carbon target into their Local Plan**. The main reason that Ricardo's previous evidence base study did not recommend EHDC take this approach was that, at the time, there was no precedent for such a policy. Evidence suggests that this will be the main source of emissions from planned new development in East Hampshire, so **EHDC would be justified in seeking to adopt a similar target, and it is recommended to do so**.

2.7 Summary

➔ *CLIM 1 and CLIM 2.1 may be rejected unless they are rewritten to use the metric specified in the WMS. Other policies are not affected.*

➔ *The FHS and FBS would deliver buildings that are 'zero carbon ready' but not net zero from the outset. EHDC would need to consider the implications of allowing developments to meet these standards, which are less ambitious than the draft policy wording.*

➔ *The HEM is not expected to have an impact on EHDC's proposed policies.*

2.7.1 Changes relevant to Policies CLIM1-CLIM5

The table below summarises the implications for Draft Policies CLIM1-CLIM5 as set out in the Regulation 18 Draft Local Plan. The key impacts relate to Policies CLIM1.3(a), CLIM1.3(b) and CLIM2.

Policy	Implications of the WMS	Implications of the FHS, FBS and HEM
Policy CLIM1: Tackling the Climate Emergency	The WMS affects the provisions in CLIM1.3(a) and CLIM1.3(b) which require residential developments to achieve net zero operational emissions, and major non-residential developments to achieve net zero regulated emissions, respectively. More information is provided in the row below. Other provisions in CLIM1 are not affected.	See next row.
Policy CLIM2: Net-Zero Carbon Development: Operational Emissions	The WMS would affect CLIM2 in several ways, notably by requiring the use of different metrics than those currently proposed in CLIM 2.1(b). This change affects the standards proposed for new residential developments, which may require revision. If the energy performance standards for residential developments are watered down, this might make it more difficult to implement the provisions of CLIM2.1(c) (meeting	The capital costs for residential and non-residential buildings to meet minimum Building Regulations would increase. The *additional* costs of meeting a higher standard, such as CLIM2, would be lower in comparison to this higher baseline cost. The FHS and FBS would both require most buildings to utilise energy efficient, electrically-powered heating systems, so the use of heat pumps would become

Policy	Implications of the WMS	Implications of the FHS, FBS and HEM
	100% of energy demands via on-site renewables) and CLIM2.1(d) (prohibiting the use of new fossil fuel heating systems) because the buildings would have higher energy demands. The WMS does not directly address either of these topics, but these are the potential indirect consequences. CLIM2.3(e), which applies to new non-residential development of 500m^2 or more, is already defined in a way that complies with the WMS. It therefore appears to be unaffected by the WMS.	standard practice. This could have the indirect benefit of bringing prices down over time as supply chains adapt. Energy efficiency standards in the FHS and FBS are broadly similar to current Part L requirements. In comparison, CLIM2 would therefore impose much more ambitious standards, particularly for new dwellings. Residential buildings might no longer be expected to include PV as a basic requirement, depending on which FHS option the Government chooses. The scope of what counts as 'regulated' emissions for non-residential buildings may be expanded to include lifts, escalators and moving walkways. To comply with CLIM2 would therefore require more renewable energy (e.g. PV) to meet regulated demands.
Policy CLIM3: Net-Zero Carbon Development: Embodied Emissions	N/a – the WMS does not address embodied carbon	N/a – the FHS, FBS and HEM do not address embodied carbon
Policy CLIM4: Renewable and Low Carbon Energy	N/a – the WMS does not address standalone renewable energy developments	N/a – the FHS, FBS and HEM do not address standalone renewable energy developments
Policy CLIM5: Climate Resilience	N/a – the WMS does not address climate resilience	N/a – the FHS, FBS and HEM do not address climate resilience

2.7.2 Changes relevant to other policy alternatives

➔ *There is now a precedent for adopting quantitative embodied targets into a Local Plan. EHDC should consider this option.*

Anticipating that the proposed net zero policies could be challenged and/or that the Government would constrain the ability of LPAs to set higher standards than those in Building Regulations, a 2023 report by Ricardo Plc set out several policy alternatives that EHDC could pursue. These were:

1) Loosen the net zero requirements by: (a) making them optional; (b) making them only apply to major residential developments; and/or (c) introducing an offsetting fund that developers could use in lieu of on-site GHG reductions.

2) Shifting the policy focus to other topic areas, for instance by: (a) dropping the EUI and GHG reduction targets but requiring 100% of energy needs to be met via renewables; (b) focusing on futureproofing measures that would make it easier for buildings to accommodate heat pumps and PV in future; (c) introducing more quantitative and/or objectively measurable requirements on climate resilience; and/or (d) putting more resources towards monitoring and post-occupancy evaluations.

In principle, all of these alternatives could still be pursued in light of the changes that have occurred since the previous report was issued.

There is one possible exception: As mentioned above, if energy efficiency targets are loosened or removed, it would be more difficult to meet energy demands via on-site renewables. There is nothing in the recent policy announcements that would explicitly prevent EHDC from introducing this type of policy, but more developers could claim it was not technically or financially feasible, so it is more likely to be challenged.

Some options have been superseded: Given that the FHS and FBS would require most buildings to use heat pumps, there is less need to introduce futureproofing measures to accommodate those technologies. There would still be some benefit to designing roof structures so that they can accommodate PV in future, if that is not required from the outset.

Embodied carbon targets are a new option that could be explored: Since the adoption of the BANES Local Plan Partial Update, there is now a precedent for LPA to set a quantitative target on embodied carbon. This option was not explored in detail in the previous evidence base study so EHDC would need to consider this further.

3 Consultation responses

3.1 Response to Regulation 18 Policies CLIM1-CLIM5

EHDC provided Ricardo and Aether with a summary of consultation responses relating to CLIM1-5. These are provided in Appendix A, along with suggestions for how EHDC might choose to respond. This section briefly summarises the issues raised by the consultation responses that merit further action by EHDC. Suggested revisions to policy wording are shown in red.

Note: The sample wording below is solely intended to inform future discussions within EHDC.

3.2 Points that apply to the net zero standards set in CLIM2

This section addresses points that only require a response if EHDC chooses to retain the current policy approach. Other points are addressed in Section 3.3

3.2.1 Explain the intention behind introducing operational energy targets

Some respondents suggested that these targets would involve 'snooping' on people's energy use (or similar concerns). EHDC may wish to explain the intention, either as part of the explanatory text or elsewhere.

Sample wording:

> *The reason for introducing operational energy and GHG emissions targets is to make sure that developers do what they can to avoid increasing local emissions, and manage demands on energy infrastructure. It is about taking the right steps at the design and planning stage – EHDC will not be limiting how much energy people actually use once the buildings are in use.*

3.2.2 Provide additional evidence on unregulated energy targets

Some respondents queried whether the unregulated energy targets are achievable. If EHDC decides to retain the current policy approach, it may be helpful to present a small amount of additional evidence specifically focusing on this point. That is out of scope of the current project.

3.2.3 Decide whether targets can be averaged across the whole site

Performance targets could, in principle, be averaged across the whole site. This is a matter for EHDC to decide.

The main advantages would be that it gives greater flexibility to developers and accounts for the fact that the standard will be harder to meet for some buildings than others, sometimes due to simple factors like orientation. The major risks are that this could result in varying quality across the site, and lead to an unequal energy burden.

3.2.4 Consider whether to constrain the circumstances in which developers can obtain exemptions from the net zero policies

CLIM2.2 already allows developers to claim exemptions from the net zero requirements, based on site-specific technical or viability issues. Some respondents wanted these exemptions to be removed while others wanted them to be made more permissive.

This is a decision for EHDC, and it will depend on factors such as:

- Whether they decide to pursue the policy as currently worded
- What level of officer resource is available to interrogate claims that a site should be exempt
- Whether there is an offsetting scheme available that developers can contribute to instead

As an example of a more narrow approach, EHDC could refer to Policy S7 of the Central Lincolnshire Local Plan, which sets very clear guidelines for issuing exemptions in specific areas. Adopting that approach would require additional, locally-specific evidence on viability.

3.2.5 Consider whether to introduce transitional arrangements or phased requirements

Some respondents requested that the net zero requirement be introduced in phases. The previous evidence base shows that there is a significant carbon penalty associated with delaying their introduction, and they are already technically achievable. So, from an environmental standpoint, this approach would not be recommended.

However, there may be an argument in favour of doing this in order to comply with the WMS. EHDC could potentially consider tweaking the policy wording in CLIM2 so that the EUI targets are 'strongly encouraged' from the date of adoption, but come into full effect if/when the policy restrictions are lifted.

3.3 Points that apply to other policy topic areas

This section discusses points that merit a response from EHDC, regardless of whether CLIM1 and CLIM2 are revised in light of the WMS.

3.3.1 Clarify the policy on off-site gas-fired CHP

The intention of CLM2.1(d) is to prohibit installation of new fossil fuel heating systems. However, recognising that the policy approach in the past decade has promoted the use of gas-fired CHP systems that enable future connections, this may need to be clarified.

Sample wording:

> ***CLIM2.1(d):*** *All heating requirements should be met without on-site use of fossil fuels. Connections to an existing heat network will be permitted, even if this uses gas-fired CHP, if the applicant can demonstrate that this will be replaced with a renewable energy-powered system by 2050. Evidence should be provided in the Sustainability Statement.*

3.3.2 Discuss further options for promoting energy efficiency in the existing stock

EHDC's current policy approach aims to make it easier for people to install energy efficiency measures when they choose to do so, rather than requiring these to be installed on all projects. A practical example of the latter would be (for instance) requiring householders to insulate the rest of their house when they apply for an extension. Those options tend to be unpopular and can have negative social implications, even if they are justified from an environmental standpoint.

It is recommended that EHDC have an internal discussion about whether to pursue those other options, while noting the potential challenges they would incur.

3.3.3 If introducing an offsetting fund, consider using it to support local retrofitting projects

If EHDC chooses to introduce an offsetting fund, the money could be used for retrofitting. This is a common approach taken by other LPAs.

Please refer to the previous evidence base study for a discussion of the wider pros and cons of offsetting schemes.

3.3.4 Potentially provide additional evidence on embodied carbon

If EHDC wishes to introduce quantitative embodied carbon requirements, this would require additional evidence on the technical and cost implications in order to set a suitable target. This is out of scope of the current study.

3.3.5 Other points

- Decide on the approach to implementing Policies CLIM1-5, including:
    - What assessment method(s) should be used; and
    - How the policies will be monitored and enforced.
- Provide more detail on the form and content of Sustainability Statements.
- Clarify whether Sustainability Statements are required for changes of use for non-residential developments over 500m^2.
- Consider whether the Local Plan should prohibit the use of artificial turf, as it has a variety of negative environmental impacts.

3.4 Summary

➔ *If the current wording in Policy CLIM2.1(b) is retained, EHDC should:*

- *Explain the intention behind introducing operational energy targets (sample wording is provided in Section 3.2.1).*
- *Provide a small amount additional evidence on unregulated energy targets.*
- *Decide whether targets can be averaged across the whole site.*
- *Consider whether to constrain the circumstances in which developers can obtain exemptions from the net zero policies.*
- *Consider whether to introduce transitional arrangements or phased requirements.*

➔ *Other actions that EHDC should take are to:*

- *Consider adopting a quantitative target on embodied carbon.*

- *Clarify the policy on off-site gas-fired CHP (sample policy wording is provided in Section 3.3.1).*
- *Discuss further options for promoting energy efficiency in the existing stock.*
- *If introducing an offsetting fund, consider using it to support local retrofitting projects.*
- *Decide on the approach to implementing Policies CLIM1-5, including (1) what assessment method(s) should be used; and (2) how the policies will be monitored and enforced.*
- *Provide more detail on the form and content of Sustainability Statements.*
- *Clarify whether Sustainability Statements are required for changes of use for non-residential developments over 500m^2.*

4 Conclusion

This report has considered the **impacts of policy changes that have occurred since 2023**, specifically the December 2023 Written Ministerial Statement (WMS), the Government's consultation on the Future Homes and Building Standards (FHS and FBS), and the Home Energy Model (HEM).

The WMS suggests that **Policy CLIM2, and part of Policy CLIM1, may need to be rewritten** to utilise different metrics for new domestic buildings. In July 2024, the High Court rejected a legal challenge to the WMS. **Unless there is a change in Government policy, there is a significant risk that the current policy wording would be rejected.**

EHDC could pivot to one of the policy options identified in the earlier evidence base study. Alternatively, **EHDC could consider adopting a quantitative embodied carbon target** on the basis that it could deliver significant GHG reductions and there is now precedent in an adopted Local Plan.

The report has also considered the **consultation responses that EHDC received in relation to the Regulation 18 draft Local Plan**, and provided high-level feedback. These are suggestions which EHDC can review when deciding how it should respond.

5 Appendix: Summary of consultation responses

EHDC provided Ricardo and Aether with a summary of consultation responses relating to CLIM1-5. EHDC's summary relating to each policy (or part of a policy) are provided in Appendix A, along with suggestions for how EHDC might choose to respond.

Comments have not been provided for every individual response, but all of the responses are noted.

5.1 CLIM1, part CLIM1.1

Summary of consultation responses provided by EHDC:

Comments summary	Details of requested changes to existing requirements	Perceived omissions that could be addressed	Other comments
Some representations describe this as an aspirational statement with no clear measurables.	Suggestion that reference should be made to the carbon management hierarchy to align with Policy C4 of Hampshire County Council's Local Transport Plan 4	N/A	Some consultees have indicated this part of CLIM1 should be deleted.

Aether/Ricardo team comments:

- We note the point that the policy does not have clear measurables, although would highlight that this is true of many other policies.
- The carbon management hierarchy in LTP4 is analogous to the energy hierarchy that is referenced in CLIM1.2, CLIM1.4, CLIM2.1 and illustrated in Figure 4.4.

5.2 CLIM1, part CLIM1.2

Summary of consultation responses provided by EHDC:

Comments summary	Details of requested changes to existing requirements	Perceived omissions that could be addressed	Other comments
Representations identify concerns about how sustainable modes of transport could or should be prioritised (third bullet).	Suggestion that the third bullet point should require the investigation of opportunities to reduce travel demand and the need to travel.	Suggestion that policy should be explicit that the design and layout of new	Some consultees expressed concern that the variety and number of requirements would make development unviable.

Comments summary	Details of requested changes to existing requirements	Perceived omissions that could be addressed	Other comments
	Suggestion that it is unrealistic/unfeasible to rely on sustainable modes of transport without investing more in public transport. Policy needs to be more realistic and accept there will be continued reliance on the private car.		

Aether/Ricardo team comments:

- Prioritising sustainable transport is addressed in more detail in Policy DGC2. We note the point about the need for better public transport, but there are other ways to enable walking and cycling within developments which designers *can* influence. For example:
    - Ensuring the right density and mix of uses within a short (c. 15-20 minute) walking radius of homes.
    - Designing the public realm to prioritise pedestrians and create safe, attractive walking and cycling routes.
- If introducing a requirement to investigate opportunities to reduce travel demand, this should potentially be incorporated into transport-related policies rather than CLIM1.
- Regarding viability, the current wording mostly comprises a description of good practice, national policy or other Local Plan policies, so arguably would not have an impact on viability despite being a long list.

5.3 CLIM1, part CLIM1.3

Summary of consultation responses provided by EHDC:

Comments summary	Details of requested changes to existing requirements	Perceived omissions that could be addressed	Other comments
Some representations claim that the net-zero requirements for operational energy go beyond what is permissible in	Some representations suggest the deletion of reference to local energy/building	Request for plastic turf to be banned through planning policy due to the lack of any ecological benefit	Many of the criticisms raised in relation to CLIM1.3 relate to criticisms of Policy CLIM2 as well.

Comments summary	Details of requested changes to existing requirements	Perceived omissions that could be addressed	Other comments
accordance with legislation and/or national planning policy. Some representations requested evidence that the operational and/or embodied carbon requirements are technically achievable in a real-world setting. Some representations suggest that there is insufficient evidence to show that the operational and/or embodied carbon requirements are financially viable for developers. Some representations suggest that greater specificity is required to identify suitable technologies, e.g. mandatory requirements for solar panels, air source heat pumps, rainwater harvesting devices.	performance standards (i.e. criteria a)-c)). Request for the meaning of the phrase: 'appropriate to site-related constraints and opportunities' (criteria a) & b)) to be clarified	and dependence on fossil fuels.	

Aether/Ricardo team comments:

- Whether net zero requirements go beyond the permissible scope of national policy is the subject of the previous chapter of this report.
- Refer to previous evidence base study for evidence regarding operational energy use targets.
- For embodied carbon, there is currently no quantitative target, so the requirements should not be difficult to meet.
- Regarding whether to be more specific about technologies, this is up to EHDC. We would note that the government's general approach when establishing Building Regulations is to provide flexibility to developers where possible. Also note that some of the specific

technologies mentioned in this consultation response are already referred to elsewhere. For example, on-site renewables are required by CLIM2.1(c) and rainwater harvesting is required by CLIM5.4. Heat pumps will likely be required as part of the FHS and FBS, so arguably do not need to be mentioned here.

- It is true that plastic turf has a variety of negative environmental impacts, but it is for EHDC to decide whether to address this issue via the Local Plan.

5.4 CLIM1, part CLIM1.4

Summary of consultation responses provided by EHDC:

Comments summary	Details of requested changes to existing requirements	Perceived omissions that could be addressed	Other comments
Representations requested clarity on the scope and format of a 'sustainability statement' and whether the policy applies to change of use relating to non-residential developments over 500sq.m	Request for further information on sustainability statements within policy/supporting text. Request for clarity on application of policy to changes of use.	N/A	

Aether/Ricardo team comments:

- The form and content of Sustainability Statements is an issue for EHDC to decide.
- We recommend that Sustainability Statements should be required for changes of use for non-residential developments over 500m^2.

5.5 CLIM1, overall

Summary of consultation responses provided by EHDC:

Comments summary	Details of requested changes to existing requirements	Perceived omissions that could be addressed	Other comments
Multiple representations expressed support for the policy approach, whilst others dissented, suggesting variously that there was no climate	N/A	Suggestion that policy for ensuring the affordability and accessibility of new housing should be integrated to ensure	There were many responses that did not engage with the specific wording or provisions of the policy, but sought to

Comments summary	Details of requested changes to existing requirements	Perceived omissions that could be addressed	Other comments
emergency, that other issues were more important, or that the policy was undermined by the proposed development strategy of building many new homes on greenfield sites. Some representations identified issues for the cost, feasibility and enforcement/monitoring requirements involved in implementing the policy as drafted. One representation suggested that insufficient consideration had been given to the social consequences of implementing the policy.		a well-rounded approach and avoid gentrification	use the consultation to express their opinion on the policy area as a whole; or the perceived disconnect between efforts to protect the environment and efforts to deliver the area's development requirements.

Aether/Ricardo team comments:

- The specific approach to monitoring and implementation is still to be decided by EHDC.
- The reason for introducing operational energy and GHG emissions targets is to make sure that developers do what they can to avoid increasing local emissions, and manage demands on energy infrastructure. It is about taking the right steps at the design and planning stage – EHDC will not be limiting how much energy people actually use once the buildings are in use.
- For more information on cost and feasibility, please refer to the previous evidence base and viability study.
- There are not expected to be any significant negative social consequences, except that some highly efficient homes can attract a slightly higher purchase price. However, the other social consequences are positive, e.g. lower energy bills and less risk of cold, damp homes.

5.6 CLIM2, part CLIM2.1

Summary of consultation responses provided by EHDC:

Note from EHDC: comments on criteria e) and f) dealt with here, even though these are located beneath CLIM2.3 in the policy text

Comments summary	Details of requested changes to existing requirements	Perceived omissions that could be addressed	Other comments
Some representations suggest that the requirements for predicted energy use intensity (criterion b)) are inconsistent with the WMS of 13th December 2023. Some representations suggest that requirements for reducing emissions from non-residential developments (criterion e) are inconsistent with the WMS of 13th December 2023. Some representations suggest that generating 100% of residual energy requirements will be impractical in many cases. Some representations object to the inclusion of unregulated emissions on the grounds that these cannot be reliably estimated and/or should not be controlled by planning policies Some representations request further information on how the policy could and should be implemented. Some representations suggest omissions that should be addressed.	Suggestion that criterion b) is deleted in its entirety, or that all text after the phrase: 'the Sustainability Statement' is deleted in criterion b). Suggestion that criterion e) is deleted or amended to accord with the Future Buildings Standard. Suggestion that the performance targets within criterion b) should be an average for all dwellings across a site Suggestion that criterion d) should be deleted. Suggestion that clarity is needed to understand whether criterion d) is consistent with the use of gas-powered CHP (off-site). Suggestion that policy should require the installation of solar panels on every new house and infrastructure for charging EVs. Suggestion that the requirements of criterion c) should affect site selection for the development	Suggestion that effective implementation will require monitoring and procedures for addressing performance gaps, together with appropriate training of planning staff.	There was concern from some consultees that policy to deal with unregulated emissions would involve an unwelcome intrusion into how people live their lives, either through trying to control the amount of electricity they use, or trying to monitor this. There was also confusion over the future use of fossil fuels, with some consultees thinking that the Council was seeking to prevent their use in supplying electricity through the national grid.

Comments summary	Details of requested changes to existing requirements	Perceived omissions that could be addressed	Other comments
	strategy, on the basis that this criterion would favour lower-density greenfield sites that could accommodate the necessary energy generating infrastructure.		

Aether/Ricardo team comments:

- EHDC has acknowledged that the targets for residential developments are not expressed using the metrics specified in the WMS; it is caveated in the Local Plan document. Potential responses to this issue are discussed in the previous chapter of this report.

- The targets for non-residential developments *are* consistent with the metrics set out in the WMS, although the WMS specifically refers to SAP, which is specifically for residential buildings. It is unclear whether this is an error/omission in the WMS, or whether the WMS as a whole should be interpreted to apply only to residential developments.

- It is undoubtedly true that meeting energy demands with on-site renewables will be challenging, but analysis from leading industry groups has shown that it can be done. Please refer to the previous evidence base study for more information.

- Regarding the unregulated energy use and GHG emissions:

    - It is true that unregulated energy use is difficult to predict (although the same issue applies to regulated energy use).

    - EHDC has yet to confirm their preferred method for developers to calculate unregulated energy use and emissions.

    - The focus of this policy is not about limiting people's actual energy use once the buildings are occupied. Instead, it is asking developers to consider: 'Are we making adequate plans to put the right infrastructure in place, based on our best estimates of future energy demands?' and 'Have we adopted best practice measures to reduce those demands?'

- Performance targets could, in principle, be averaged across the whole site. This is a matter for EHDC to decide. The main advantages would be that it gives greater flexibility to developers and accounts for the fact that the standard will be harder to meet for some buildings than others, sometimes due to simple factors like orientation. The major risks are that this could result in varying quality across the site, and lead to an unequal energy burden.

- The proposed policy would prohibit the use of on-site fossil fuel combustion. To clarify:

- Grid electricity can be used even if this is generated with some contribution from fossil fuels.

- Off-site gas CHP heating should not be used if this requires a new system, but if there is an existing heat network, EHDC can consider whether to allow this solution – recognising that policy incentives for the past decade have promoted this approach. The gas-fired CHP would need to be replaced with a zero-emission alternative before 2050 in order for the UK to meet its climate change commitments.

- EV charging provision is addressed in Part S of the Building Regulations. EHDC could choose to set different standards, but this is arguably not necessary.

- PV (or some other form of on-site renewable technology) is already a requirement in CLIM2. This is reinforced by Building Regulations which promote the use of PV.

- Monitoring – see response in Section 5.1.6.

5.7 CLIM2, part CLIM2.2

Summary of consultation responses provided by EHDC:

Comments summary	Details of requested changes to existing requirements	Perceived omissions that could be addressed	Other comments
Some representations suggest the policy requirements are generally impractical for all scales of development at the present time and may require a phased approach to reducing emissions rather than the approach of CLIM2.2 Some representations suggest narrowing or removing the scope for claiming financial unviability, to avoid undermining the policy.	Suggestion that further consideration is given to the timescales, practicalities and costs of meeting the policy requirements, with a phased transition being necessary towards meeting the targets/requirements. Suggestion that the approach to questions of financial viability of Policy S7 of the Central Lincolnshire Local Plan should be followed.	N/A	N/A

Aether/Ricardo team comments:

- The requirements are challenging, but evidence shows they are technically achievable. They are based on best practice targets promoted by industry groups such as RIBA, CIBSE, UKGBC and others. They also align with the standards recommended by the CCC in its advice to Government.

- Whilst they are admittedly more challenging for some types of development than others, they are clearly achievable for the most common types being brought forth within East Hampshire. If a developer can prove that the standards are not achievable for a specific site, they can claim an exemption under CLIM2.2.

- EHDC can look to Policy S7 of the Central Lincolnshire Local Plan for an example of a policy that sets very clear guidelines for issuing exemptions. Adopting that approach would potentially require additional, locally-specific evidence on viability.

- It is for EHDC to weigh up the relative arguments for or against issuing exemptions, balancing the need to mitigate GHG emissions against other local needs.

- Regarding phased requirements or transitional arrangements:

    - Similar net zero policies are already being implemented by Cornwall and BANES Councils.

    - The requirements for residential developments are based (in part) on Passivhaus standards, which are well-established and shown to be technically achievable.

    - From a GHG emissions perspective, a delay would be undesirable; the previous evidence base study highlights that there is a significant carbon penalty for delaying the introduction of higher standards.

    - In order to comply with the WMS, EHDC could potentially consider tweaking the policy wording so that the net zero operational emissions targets are 'strongly encouraged' from the date of adoption, but come into full effect if/when the policy restrictions are lifted.

5.8 CLIM2, part CLIM2.3

Summary of consultation responses provided by EHDC:

Comments summary	Details of requested changes to existing requirements	Perceived omissions that could be addressed	Other comments
Some representations identified a need for considering the practical implications of, and further information on monitoring arrangements. Representation that applicants/developers should not bear the responsibility of monitoring compliance with the criteria, which	Suggestion that details of acceptable monitoring arrangements need to be provided. Suggestion that EHDC should take the lead role in monitoring compliance with the policy	N/A	Representations expressed scepticism about whether an effective monitoring strategy could be devised and implemented

Comments summary	Details of requested changes to existing requirements	Perceived omissions that could be addressed	Other comments
may require on-going involvement and enforcement action.			

Aether/Ricardo team comments:

- Monitoring – see response in Section 5.1.6.

5.9 CLIM2, parts CLIM2.4 & CLIM 2.5

Summary of consultation responses provided by EHDC:

Comments summary	Details of requested changes to existing requirements	Perceived omissions that could be addressed	Other comments
Some representations suggest that the policy should establish a presumption in favour of sympathetic retrofitting for heritage assets. Representation that the policy should proactively enable the retrofitting of the existing dwelling stock within the planning area	Suggestion that the policy should clearly provide support for measures to improve the performance of listed and historically significant buildings. Suggestion that policy should include measures to enable the retrofitting of existing buildings	N/A	Policy officer comment: should the retrofitting of existing buildings be an off-setting scheme, notwithstanding the need to achieve this anyway en route to net zero?

Aether/Ricardo team comments:

- There are relatively few ways that the Local Plan can promote energy efficiency in the existing stock. When planning applications are made in relation to existing buildings, in principle these could be required to meet higher standards. This would have a significant impact on households and small businesses seeking to carry out extensions, conversions, etc. which means that these policies are often subject to political push-back.

- EHDC's current approach is to remove policy obstacles wherever possible, making it easier for people to undertake energy efficiency upgrades where these form part of a proposal. One example of how to do this would be to introduce a presumption in favour of sympathetic upgrades to historic properties.

- It is common for offsetting funds to be put towards retrofits, so this is certainly an option EHDC could consider. This is particularly advantageous in light of the general lack of Government funding for such projects.

5.10 CLIM3

EHDC summary of responses:

- Additional costs and complexities for development, especially in regard of smaller projects, were highlighted as a concern for implementing this policy.
- It was often noted that information on embodied emissions was limited and/or not widely understood.
- Supply chain and skills shortages were also highlighted as limitations on the use of innovative, low embodied carbon approaches.
- The cumulative effects on project viability – alongside measures to reduce operational emissions – need to be considered, but had not been.
- Some concerns about how implementation would be monitored, i.e. a lack of information on this and concerns over the feasibility of doing so, given resource implications and especially in the context of monitoring requirements for operational energy policy requirements.
- There was support for prioritising the retention and modification of existing buildings as part of a 'brownfield first' approach.

Aether/Ricardo team comments:

- Reductions in embodied carbon can be achieved through various techniques that constitute standard industry practices, such as use of timber in construction and use of cement replacements.
- Designing buildings with low embodied carbon does not typically incur a significant cost uplift, and in many cases can reduce build costs e.g. due to more efficient use of materials. This could help to offset some of the cost uplift associated with the net zero operational emissions policy.
- If EHDC decides to introduce a quantitative embodied carbon policy then more evidence on the costs of different standards may need to be provided.

5.11 CLIM4

EHDC summary of responses:

- Concerns were raised relating to the visual and landscape impacts of wind and solar developments, such as in connection with the South Downs as a national park but also areas of landscape value.
- Some representations noted that onshore wind energy developments were unlikely to gain approval (e.g. national planning policy).

- The potential impacts on food security from renewable energy developments on agricultural land were highlighted; a presumption against the loss of agricultural land was advocated in some responses.

- Suggestion that opportunities for solar energy generation on buildings, in car parks and (generally) on previously developed land should be highlighted/prioritized through policy.

- However, some representations voiced support for large-scale renewable schemes (solar and wind) in East Hampshire, including in rural areas.

Aether/Ricardo team comments

- In relation to wind, it is true that the national policy is currently very restrictive. However, it is crucial for all Local Authorities to play their role in delivering more renewable energy. In light of this, the draft policy wording seeks to remove local policy obstacles where possible; this is all that EHDC can do within its remit. Wind energy developments will still have to meet various environmental criteria and have the backing of the local community.

- Renewables do not necessarily have a big impact on the available space for agriculture. Wind turbines can be co-located with crops or grazing land as they have a small footprint. PV can also be located above grazing land.

- The draft policies are intended to facilitate both standalone and building-integrated renewable energy developments, which would include those located above car parks or on brownfield land.

5.12 CLIM5

EHDC summary of responses:

- Support for making more specific references to flood prevention and nature-based solutions.

- Suggestion that the aim to deliver increased carbon sequestration through new green infrastructure should also be integrated with efforts to deliver increased biodiversity, such as through the Local Nature Recovery Strategy.

- Specific mention of native trees and hedgerows within the policy was requested.

- Other examples of nature-based solutions could include the restoration and creation of priority habitats within East Hampshire, natural floodplain management and the retrofitting of green and blue infrastructure for sustainable urban drainage.

- Natural England advocated a more spatial approach of identifying opportunities to increase tree and woodland cover, identifying areas where nature-based solutions could provide benefits to people as well as the environment, and identifying habitats and protected sites that are particularly vulnerable to the impacts of climate change and how the Local Plan could reduce these vulnerabilities.

Aether/Ricardo team comments

- All of these are good ideas in general. It is for EHDC to decide whether they require a Local Plan policy response or should be dealt with via a separate strategy.

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