

EXAMINATION OF THE CITY OF YORK LOCAL PLAN

2017-2033

Local Energy Efficiency Standards

February 2024

1. Introduction

- 1.1 This note provides a response to correspondence from the Inspectors dated 20th December which stated as follows:

The second, more straightforward, point relates to the Written Ministerial Statement: Planning – Local Energy Efficiency Standards Update of 13 December 2023. We would like to hear whether this has any implications for the Plan as a whole and draft Policy CC2 in particular.

2. The Written Ministerial Statement (WMS)

- 2.1 In relation to setting standards through local plan policies, the WMS¹ states:

The improvement in standards already in force, alongside the ones which are due in 2025, demonstrates the Government’s commitment to ensuring new properties have a much lower impact on the environment in the future. In this context, 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. 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).*

¹ Available here: <https://questions-statements.parliament.uk/written-statements/detail/2023-12-13/hcws123#:~:text=A%20further%20change%20to%20energy,the%20grid%20continue%20to%20decarbonise.>

Where plan policies go beyond current or planned building regulations, those policies 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.

To be sound, local plans must be consistent with national policy – enabling the delivery of sustainable development in accordance with the policies in the National Planning Policy Framework and other statements of national planning policy, including this one.

3. Local Plan Policy CC2: approach to energy efficiency standards

- 3.1 The Council set out its justification for introducing local energy efficiency standards for new development in its phase 4, matter 13 hearing statement². That statement included comment on the legislative and policy context relating to local standards. The WMS now supersedes that and clarifies the circumstances in which a local authority can introduce standards through its planning policy.

Residential development

- 3.2 The main modifications to Policy CC2 require new dwellings to achieve a 31% carbon emission reduction (part A(i)). This provision is directly aligned to the standard required by current building regulations (introduced in June 2022). The policy also promotes a fabric first approach, with the clause requiring 19% of the carbon reduction to be achieved through energy efficiency measures.
- 3.3 A further requirement is set out in the policy for new homes to achieve up to a 75% carbon emission reduction unless it is not feasible or viable to do so. This target is directly related to the expected introduction of the Future Homes Standard and its cost implications were factored into the updated viability testing of the plan's policies published ahead of phase 2 hearing sessions³.

² Available here: <https://www.york.gov.uk/downloads/file/8531/ex-hs-p4-m13-cc-1-york-city-council>

³ EX/HS/P2/M6/IR/1b(i) available here: <https://www.york.gov.uk/downloads/file/7888/ex-hs-p2-m6-ir-1b-i-app-2-city-of-york-council>

A Sustainable Design and Construction of New Development Residential Development

Proposals will be supported where they meet the following:

All new residential **buildings development of 1 or more dwellings** should achieve:

- i. **at least a 19% reduction in Dwelling Emission Rate compared to the Target Emission Rate (calculated using Standard Assessment Procedure methodology as per Part L1A of the Building Regulations 2013) on-site carbon emissions reduction of a minimum of 31% over and above the requirements of Building Regulations Part L (2013), of which at least 19% should come from energy efficiency measures; and,**
- ii. a water consumption rate of 110 litres per person per day (calculated as per Part G of the Building Regulations).

Pending anticipated changes to Building Regulations, developments should further aim to achieve up to a 75% reduction in carbon emissions over and above the requirements of Building Regulations Part L (2013) unless it is demonstrated that such reductions would not be feasible or viable

Any higher level of reductions required through Building Regulations or other legislation will supersede the above requirements.

Policy CC2 Extract, with main modifications proposed in EX/CYC/128

Non-residential development

- 3.4 Main modifications to the clause relating to non-domestic development effectively transfer the requirement to achieve a 28% reduction in carbon emissions from Policy CC1 into Policy CC2. However, this original policy requirement now forms part of the standards set through Building Regulations that came into effect on 15 June 2022 via Approved Documents L (Energy Efficiency), F(improved ventilation) and O (overheating).
- 3.5 At the time of drafting, the Future Building Standard did not set a performance improvement threshold akin to the 75-80% established by the Future Homes Standard and therefore no higher standard is set through the Local Plan.

B. Non-residential development

All new non-residential **buildings development** with a total internal floor area of 100m² or greater should achieve:

- i. **a 28% reduction in carbon emissions over and above the requirements of Building Regulations (2013) unless it is demonstrated that such reductions would not be feasible or viable; and,**
- ii. **BREEAM 'Excellent' (or equivalent), where feasible and viable and where development proposals are for 1,000m² or more.**

Policy CC2 Extract, with main modifications proposed in EX/CYC/128

4. Local Plan Policy CC2: Consistency with WMS

Residential development

- 4.1 As explained [above], the Council set out its rationale for including local standards in its hearing statement and provided further explanation during the hearing session held on 21 September 2022. At that time, a full technical specification for the Future Homes Standard was due to be published for consultation in 2023, with the necessary legislation introduced in 2024.
- 4.2 There has been some slippage with those timescales and the full technical specification is currently subject to Government consultation⁴. Proposals associated with the Future Homes Standard continue to ensure that new homes built from 2025 produce 75-80% less carbon emissions than homes delivered under current regulations. Cost impacts (modelled against a semi-detached home) of the proposed options are estimated and presented at table 4.2 of the consultation document (copied below). Option 1 is shown to result in a higher developer cost of £6,200.
- 4.3 The WMS stipulates that where policies go beyond current or planned building regulations, they must not give rise to detrimental impacts on development viability. The financial impacts of policy CC2 have been assessed, with a sum cost of £6,500 per house and £5,000 per flat applied to the testing of development typologies. Evidence in EX/HS/P2/M6/IR/1b(i) demonstrates that development remains viable with the additional policy burden applied.

Table 4.2: Impact of options on carbon savings, energy bills, and build costs

	Capital Cost Uplift for Developers (£)	Annual Heating & Hot water Bill (inc. Standing charges)	Change from 'typical' existing annual heating & hot water bill	Annual Average Operational Emissions (tCO2e) ¹	Cost to Consumer to Retrofit to Net Zero (prior to any Gov subsidies)
Typical Existing Home	N/A – already built	£1,430-£2,640 ²	Baseline	2.2-4.6tCo2e/yr	~£11,400-£12,650, higher if fabric retrofit needed
2021 Uplift	Baseline – current standard	£640	£790-£2,000 decrease	1.4tCo2e/yr	~£9,800 ³
FHS Option 1	~£6,200 (4%)	£520	£910-£2,120 decrease	0.05tCO2e/yr	£0
FHS Option 2	~£1,000 (1%)	£1,220	£210-£1,420 decrease	0.1CO2e/yr	£0

⁴ The Future Homes and Buildings Standards: 2023 consultation, available here: <https://www.gov.uk/government/consultations/the-future-homes-and-buildings-standards-2023-consultation/the-future-homes-and-buildings-standards-2023-consultation>

4.4 The requirements of the WMS are, therefore, considered to be satisfied with respect of the Council’s costed rationale and evidence that development remains viable. However, it is recognised that the main modifications to policy CC2 do not make clear that a specified version of the Standard Assessment Procedure (SAP) must form the basis of calculations used to demonstrate compliance with the carbon emission targets. A further main modification is proposed to that effect (shown in green below), which will ensure the provisions of the WMS are satisfied in full.

A Sustainable Design and Construction of New Development Residential Development

Proposals will be supported where they meet the following:

All new residential **buildings development of 1 or more dwellings** should achieve:

- iii. **at least a 19% reduction in Dwelling Emission Rate compared to the Target Emission Rate (calculated using Standard Assessment Procedure methodology as per Part L1A of the Building Regulations 2013) on-site carbon emissions reduction of a minimum of 31% over and above the requirements of Building Regulations Part L (2013), of which at least 19% should come from energy efficiency measures; and,**
- iv. a water consumption rate of 110 litres per person per day (calculated as per Part G of the Building Regulations).

Pending anticipated changes to Building Regulations, developments should further aim to achieve up to a 75% reduction in carbon emissions over and above the requirements of Building Regulations Part L (2013) unless it is demonstrated that such reductions would not be feasible or viable. The Target Emissions Rate (TER) for proposed new dwellings should be calculated using version 10 of the Standard Assessment Procedure (SAP).

Any higher level of reductions required through Building Regulations or other legislation will supersede the above requirements.

Policy CC2 Extract inclusive of main modifications proposed in EX/CYC/128, with new modifications proposed in green.

Non-Residential development

4.5 The WMS requires additional standards to be expressed in policy as “a *percentage uplift of a dwelling’s Target Emissions Rate (TER)*”. Whilst the text preceding this reference consistently uses the term “buildings”, the express requirements of a local policy refer only to “dwellings”. On that basis, and given clause i of CC2 part B only replicates the carbon reduction set by current Building Regulations, main modifications are proposed as follows:

B. Non-residential development

All new non-residential **buildings development** with a total internal floor area of 1,000m² or greater should achieve:

- iii. **a 28% reduction in carbon emissions over and above the requirements of Building Regulations (2013), unless it is demonstrated that such reductions would not be feasible or viable; and,**
- iv. **BREEAM ‘Excellent’ (or equivalent), where feasible and viable and where development proposals are for 1,000m² or more.**

Policy CC2 extract, inclusive of main modifications proposed in EX/CYC/128 with new modifications proposed in green.