

Planning Policy  
Cornwall Council  
3b Pydar House  
Pydar Street  
Truro  
TR1 1XU

SENT BY E-MAIL ONLY TO  
[climatechangedpd@cornwall.gov.uk](mailto:climatechangedpd@cornwall.gov.uk)

26 May 2020

Dear Sir / Madam

**CORNWALL CLIMATE CHANGE DEVELOPMENT PLAN DOCUMENT  
(DPD) – SCOPING REPORT CONSULTATION**

Thank you for consulting with the Home Builders Federation (HBF) on the above-mentioned consultation. The HBF is the principal representative body of the house-building industry in England and Wales. Our representations reflect the views of our membership which includes multi-national PLC's, regional developers and small local builders. In any one year, our members account for over 80% of all new "for sale" market housing built in England and Wales as well as a large proportion of newly built affordable housing. We would like to submit the following responses to specific questions in the Cornwall Climate Change DPD Scoping Report consultation.

**Energy efficiency**

**Question 8) Are the policy approaches that we're suggesting about right – is there anything missing?**

The Council is suggesting a policy approach based on the following two scenarios :-

Scenario 1 - If new Building Regulations are introduced but the Deregulation Act of 2015 is not fully enacted so that the Council may still set its own Energy Efficiency Standards to exceed Building Regulations. The Council proposes to require a 19% carbon reduction improvement upon the requirements within Building Regulations Approved Document Part L or to achieve any higher standard above this improvement required under new national planning policy or Building Regulations together with policy approach suggestions set out under Scenario 2.

Scenario 2 - If new Building Regulations are introduced but the Deregulation Act of 2015 is fully enacted so that the Council may not set its own Energy Efficiency Standards to exceed Building Regulations. The Council proposes the following policy approach :-



- to require development to follow the energy hierarchy (prioritising energy reduction & energy efficiency first, then renewable energy and finally offsetting residual carbon (allowable solutions)) in accordance with Building Regulations ;
- to require provision of on-site renewable energy generation, or connection to a renewable or low carbon community energy scheme, that contributes to a further 20% reduction in the residual carbon emissions subsequent to Building Regulations ;
- to require financial contributions to a carbon offset fund to enable residual carbon emissions subsequent to Building Regulations and on-site renewable generation, where this has not already resulted in carbon neutrality ;
- to require all new dwellings to achieve an estimated water consumption of no more than 110 litres per person per day and incorporate water reuse, recycling and rainwater harvesting wherever feasible and viable to reduce demand on mains water supply ;
- to link design policy to the new Cornwall Design Guide ensuring that design and layout of development results in more sustainable places to live by considering issues such as of solar gain, reduced need to travel, etc. The development of a sustainable construction checklist for planning applications to demonstrate compliance with the new Cornwall Design Guide.

Today's new homes are very energy efficient with lower heating bills for residents compared to existing older homes. The HBF support moving towards greater energy efficiency via a nationally consistent set of standards and a timetable for achieving any enhancements, which is universally understood and technically implementable. The HBF acknowledges that the Government has not enacted its proposed amendments to the Planning & Energy Act 2008 to prevent the Council from stipulating energy performance standards that exceed the Building Regulations but consider that the Council should comply with the spirit of the Government's intention of setting standards for energy efficiency through the Building Regulations. The key to success is standardisation and avoidance of every Council in the country specifying its own approach to energy efficiency, which would undermine economies of scale for both product manufacturers, suppliers and developers.

Recently, the Government held a consultation on The Future Homes Standard (ended on 7<sup>th</sup> February 2020). The UK has set in law a target to bring all its greenhouse gas emission to net zero by 2050. New and existing homes account for 20% of emissions. It is the Government's intention to future proof new homes with low carbon heating and world-leading levels of energy efficiency. The Government's consultation addressed :-

- options to uplift standards for Part L (Conservation of Fuel & Power) and changes to Part F (Ventilation) Building Regulations. An increase in energy efficiency requirements for new homes in 2020 will be a meaningful and achievable stepping-stone to The Future Homes Standard in 2025. This is expected to be achieved through very high

fabric standards and a low carbon heating system based on one of two Options. Both Options increase costs for housebuilders (estimated costs between circa £2,557 - £4,847 per dwelling). The Government's preferred Option 2 proposes 31% reduction in carbon emissions compared to current standards (Approved Document L 2013) delivered by installation of carbon saving technology and better fabric standards ;

- transitional arrangements to encourage quicker implementation ; and
- clarifying the role of Councils in setting energy efficiency standards. The Government is proposing to remove the ability of Councils to set higher energy efficiency standards than those in Building Regulations, which has led to disparate standards across the country and inefficiencies in supply chains. The Government wants to create certainty and consistency. The situation is confusing with decisions about technical appropriateness, application and enforcement of energy standards considered by planning officers, committees and Planning Inspectors rather than by qualified Building Inspectors. An uplift to Part L standards in 2020 will improve the energy efficiency of new homes and prepare housebuilders and supply chains in readiness for the further uplift in 2025 to meet The Future Homes Standard so there is no need for Councils to seek higher standards.

The HBF's response to the Government's consultation recognises and supports the need to move to The Future Homes Standard but the Government's preferred Option 2 for a 31% reduction in carbon emissions compared to the current Part L 2013 requirements in 2020 would be difficult and risky to deliver given the immaturity of the supply chain for the production / installation of heat pumps, and the additional load that would be placed on local electricity networks when coupled with Government proposals for the installation of electric vehicle charging points (EVCP) in new homes (also see HBF answer to Question 19 below). The HBF and its Members favour the Government's Option 1 for a 20% reduction in emissions in 2020 (involving higher fabric efficiency standards than Option 2) and then a further step to Option 2 standards by 2023, which would allow more time for the supply chain to gear up for the scale of demand entailed. The HBF submission argues that *"a stepped and incremental approach should be adopted given, in particular, the large requirement for supply chain and infrastructure investment and skills training to support this ambition. The consensus is that Option 1 should be implemented within 2020, with Option 2 being implemented within two to three years in approximately 2023. Our membership sees that transitional arrangements around this implementation should be 18 – 24 months"*.

It is also noted that the Council's proposed policy approach (under Scenario 2 2<sup>nd</sup> Bullet Point) requires provision of on-site renewable energy generation, or connection to a renewable or low carbon community energy scheme. The Council's proposed requirement for connection to a renewable or low carbon community energy scheme should not undermine the technical and financial viability of development. The Council is referred to the Department for Business, Energy and Industrial Strategy consultation on Heat Networks : Building A Market Framework (ending on 1<sup>st</sup> June 2020).

The Government is committed to achieving net-zero greenhouse gas emissions by 2050. Presently, heat is responsible for a third of the UK's greenhouse gas emissions. To meet the Government's legal commitment virtually all heat in buildings will require decarbonising. Heat networks are one aspect of the path towards decarbonising heat, however currently the predominant technology for district-sized communal heating networks is gas combined heat and power (CHP) plants. Over 90% of district networks are gas fired. As 2050 approaches, meeting the Government's climate target of reducing greenhouse gas emissions to net zero will require a transition from gas-fired networks to renewable or low carbon alternatives such as large heat pumps, hydrogen or waste-heat recovery but at the moment one of the major reasons why heat network projects do not install such technologies is because of the up-front capital cost. The Council should be aware that for the foreseeable future it will remain uneconomic for most heat networks to install low-carbon technologies.

Furthermore, some heat network consumers do not have comparable levels of satisfaction as consumers on gas and electricity networks, and they pay a higher price. Currently, there are no sector specific protections for heat network consumers, unlike for people on other utilities such as gas, electricity or water. A consumer living in a building serviced by a heat network does not have the same opportunities to switch supplier as they would for most gas and electricity supplies. All heat network domestic consumers should have ready access to information about their heat network, a good quality of service, fair and transparently priced heating and a redress option should things go wrong. Research by the Competition and Markets Authority (CMA) found that a significant proportion of suppliers and managing agents do not provide pre-transaction documents, or what is provided contains limited information, particularly on the on-going costs of heat networks and poor transparency regarding heating bills, including their calculation, limits consumers' ability to challenge their heat suppliers reinforcing a perception that prices are unjustified. The monopolistic nature of heat networks means that future price regulation is required to protect domestic consumers. The CMA have concluded that *"a statutory framework should be set up that underpins the regulation of all heat networks."* They recommended that *"the regulatory framework should be designed to ensure that all heat network customers are adequately protected. At a minimum, they should be given a comparable level of protection to gas and electricity in the regulated energy sector."* The Government's latest consultation on heating networks proposes a regulatory framework that would give Ofgem oversight and enforcement powers across quality of service, provision of information and pricing arrangements for all domestic heat network consumers.

With regard to Scenario 2 4<sup>th</sup> Bullet Point, under current Building Regulations, all new dwellings must achieve a mandatory level of water efficiency of 125 litres per day per person, which is a higher standard than that achieved by much of the existing housing stock. This mandatory standard represents an effective demand management measure. If the Council wishes to adopt the optional standard for water efficiency of 110 litres per person per day, then the Council should justify doing so by applying the criteria set out in the NPPG (ID 56-013-20150327 to 56-017-20150327). The NPPG references *"helping to use natural resources prudently ... to adopt proactive strategies to ... take full account of water supply and demand*

*considerations ... whether a tighter water efficiency requirement for new homes is justified to help manage demand”* however the Housing Standards Review was explicit that reduced water consumption was solely applicable to water stressed areas.

In conclusion it is the HBF’s opinion that the Council’s policy approach under Scenarios 1 and / or 2 should not be setting different targets or policies for energy and water efficiency outside of Building Regulations.

It is also noted that the Council’s proposed policy approach (Scenario 2 5<sup>th</sup> Bullet Point) refers to the new Cornwall Design Guide. The Regulations are clear that development management policies, which are intended to guide the determination of applications for planning permission should be set out in a DPD rather than a Supplementary Planning Document (SPD). Where SPDs are prepared, they should be used to provide more detailed advice and guidance on the policies in the DPD and not as an opportunity to change or introduce the requirements of a policy. Fundamental policy matters should not have been devolved to the new Cornwall Design Guide. As defined in 2019 NPPF Glossary, an SPD is capable of being a material consideration in planning decisions but is not part of the DPD. The Regulations indicate that an SPD does not have statutory force. An SPD is defined as something that is not a DPD as it has not been subject to the same process of preparation, consultation and examination. The Council should not be conveying DPD status onto the new Cornwall Design Guide.

**Question 9) We are undertaking a refresh of our Strategic Viability Assessment to support these policies, but do you have any other comments on the likely impacts on viability of the policy suggestions?**

In plan-making, viability is very closely linked to the concept of deliverability. The contributions expected from development including the level and types of affordable housing provision required and other infrastructure for education, health, transport, flood & water management, open space, digital communication, etc. should be set out in a DPD. As stated in the 2019 NPPF, development should not be subject to such a scale of obligations that the deliverability of the DPD is threatened (para 34).

To ensure viability, the cumulative impact of affordable housing provision, policy compliant standards, infrastructure and other contributions should provide sufficient incentive for a reasonable landowner to bring forward their land for development. Viability assessment should not be conducted on the margins of viability. If the resultant Benchmark Land Value is lower than the market value at which land will trade, then the delivery of housing targets will not be met. Viability assessment is an iterative process, in low / middle value areas “trade-offs” between affordable housing provision, CIL, S106 contributions and policy requirement compliance may be necessary.

For the Council’s information, the HBF Local Plan Viability Guide is attached. Viability is a key issue in determining the soundness of DPDs at Examination.

This guidance puts forward issues that must be addressed in order to ensure that DPDs are deliverable and sites come forward for development. Without a robust approach to viability assessment land will be withheld from the market and housing delivery will be threatened, leading to unsound plans and housing delivery targets not being met. The Council is referred to the Common Concerns Boxes.

The Council's refresh of its Strategic Viability Assessment should also take account of :-

- Future Homes Standard costs (see HBF answer to Question 8 above) ;
- The cost of connection to a renewable or low carbon community energy scheme (see HBF answer to Question 8 above) ;
- Optional water efficiency standard (see HBF answer to Question 8 above) ;
- Additional costs for biodiversity gain and deduction from developable acreage (see HBF answer to Question 16 below). The DEFRA Biodiversity Net Gain & Local Nature Recovery Strategies : Impact Assessment Table 14 : Net Gain Delivery Costs (Residential) sets out regional costs in South West of £18,470 per hectare of development based on a central estimate but there are significant increases in costs to £63,610 per hectare for off-site delivery under Scenario C. With regard to deductions from developable acreage, Table 14 also estimates 4.6 unit loss per hectare of development ; and
- Additional cost for installation of EVCPs, the Department for Transport - Electric Vehicle Charging in Residential & Non-Residential Buildings consultation estimated an installation cost of approximately £976 per space, plus any costs for upgrading local electricity networks (see HBF answer to Question 19 below).

### **Natural climate solutions**

#### **Question 16) Is the policy approach that we're suggesting about right – is there anything missing?**

The Council proposes to formalise a Biodiversity Net Gain policy using the following policy approach options :-

- 10% gain across all development in accordance with the Government's Environment Bill or 10% gain over major development and a green points style system for minor development. This would require major development proposals to contribute to the greening of urban areas of Cornwall as a fundamental element of site and building design incorporating measures such as high-quality landscaping, green roofs, green walls and nature-based sustainable drainage ;
- The planting of hedges and trees for all development. This could be in addition to any net gain required ;

- Safeguarding types of habitat that are site specific potentially linked to protection of wooded areas in upper catchments related to natural flood prevention ;
- Eco-system / Environmental Gain policy in Critical Drainage Areas for upstream planting of trees or provision of wetlands or land management changes to provide for protection for flooding of new and existing development ;
- The embedment of the requirements of multi-functional green infrastructure, Building with Nature and biodiverse design (such as naturalised SUDS).

It is the HBF's opinion that the Council should not deviate from the Government's proposals on biodiversity gain. In 2019 Spring Statement, the Government announced that it would mandate net gains for biodiversity in the forthcoming Environment Bill. This legislation will require development to achieve a 10% net gain for biodiversity. It is the Government's opinion that 10% strikes the right balance between the ambition for development and reversing environmental decline. 10% gain provides certainty in achieving environmental outcomes, deliverability of development and costs for developers. 10% will be a mandatory national requirement, but it is not a cap on the aspirations of developers who want to voluntarily go further or do so in designing proposals to meet other local planning policies. The Government will use the DEFRA Biodiversity Metric to measure changes to biodiversity under net gain requirements established in the Environment Bill. The mandatory requirement offers developers a level playing field nationally and reduced risks of unexpected costs and delays.

Broad exemptions from delivering the proposed mandatory biodiversity net gain (except for permitted development and householder applications) will not be applied instead the Government will introduce narrow exemptions applicable to only the most constrained types of development. Sites not containing habitats to start with (e.g. those entirely comprising buildings and sealed surfaces) will not be required to deliver compensatory habitats through biodiversity net gain, but may be required to incorporate some green infrastructure through wider planning policy. A targeted exemption for brownfield sites that meet a number of criteria including that they (i) do not contain priority habitats and (ii) face genuine difficulties in delivering viable development will address concerns about the cost sensitivity of the redevelopment of post-industrial developed land. Exemptions will be set out in secondary legislation.

The Government intends that small sites are kept within the scope of the mandatory net gain approach but will consider whether minor residential developments should be subject to longer transition arrangements or a lower net gain requirement than other types of development. A simplified process for minor (less than 10 dwellings) developments will be introduced to ensure that such schemes do not face additional new survey requirements. This simplified assessment will not include a condition assessment, so users will only need to state what habitats are present and the area that these habitats occupy to define their baseline for net gain.

The Government will also consider exemptions for development of specific ownership types which may be disproportionately impacted through these changes, such as residential self-build.

The Government will issue guidance to Councils on the importance of proportionality in their application of planning policy. So that sites without reasonable opportunities to achieve net gain through on-site habitat delivery will not face risks of delay through rigid or prescriptive requirements.

The Environment Bill will introduce new duties to support better spatial planning for nature through the creation of Local Nature Recovery Strategies (LNRSs). LNRS will detail existing areas of high biodiversity value as well as those areas where habitat creation or restoration would add most value. The intention is that the whole of England will be covered by LNRSs with no gaps or overlaps. Each LNRS will include a statement of biodiversity priorities for the area covered by the strategy and a local habitat map that identifies opportunities for recovering or enhancing biodiversity. The Government will provide data, guidance and support but each LNRS will be produced locally, with a relevant public body appointed as the responsible authority by the Secretary of State. This will achieve the best combination of local ownership and knowledge and national consistency and strategy. Such spatial environmental mapping will help developers to locate their sites strategically to avoid biodiverse sites that would be difficult to achieve net gain on.

Work will continue to develop better baseline maps of habitats at a national level, which will ensure improved environmental mapping is available locally. However, the Government will not recommend that these baseline maps are used in place of site-level assessments, which will still be needed for wider environmental requirements and for a robust biodiversity net gain assessment. Instead, it will enable these maps to be used in cases of disputed baselines, primarily where alleged habitat degradation before development causes disagreement between the Council, communities and developers about what the baseline habitat state should be. Guidance will clarify the assumptions that decision makers should consider in these circumstances.

The Government will require net gain outcomes to be maintained for a minimum of 30 years and will encourage longer term protection, where this is acceptable to the landowner. The Government will legislate for Conservation Covenants in the Environment Bill.

The Government will not introduce a new tariff on loss of biodiversity. The Environment Bill will make provision for local decision makers to agree biodiversity net gain plans with developers. Where offsite compensation is required, Councils will be able to review developers plans to deliver compensation through local habitat creation projects. Where suitable local projects are not available, there will be the option for investment in nationally strategic habitats through a Government offering of biodiversity units set at a standard cost. The Government will make provision for these 'statutory



biodiversity units' in the Environment Bill. By not instating a rigid tariff mechanism, the Government will make it easier for Councils, landowners and organisations to set up habitat compensation schemes locally, where they wish to do so, and will still provide a last-resort supply of biodiversity units from Government where this is not the case. The Government's proposals for statutory biodiversity units will provide a recourse for developers and Councils, where local habitat compensation schemes are not available, therefore preventing delays to development.

Additional costs for biodiversity gain are significant, which must be tested in the Council's refresh of its Strategic Viability Assessment (see HBF answer to Question 9 above). The Government is committed to continued engagement with the housebuilding industry to address concerns and risks. The Government has confirmed that more work needs to be undertaken to address viability concerns raised by the housebuilding industry in order that net gain does not prevent, delay or reduce housing delivery.

The Government will make provision in the Environment Bill to set a transition period of two years. The Government will work with stakeholders on the specifics of this transition period, including accounting for sites with outline planning permission, and will provide clear and timely guidance on understanding what will be required and when.

## **Transport**

### **Question 19) Is the policy approach that we're suggesting about right – is there anything missing?**

The Council has identified the following policy options to help achieve carbon neutrality and address the impacts of climate change :-

- To require Transport Assessments on developments of 50+ houses to include justification of proposals against hierarchy of travel modes ;
- To require provision of electric vehicle charging infrastructure in new developments with a mixture of on-plot and communal parking and charging ;
- To establish parking standards that represent a shift from car-reliant developments by limiting car parking spaces or allowing car free development in appropriate locations and reducing on-plot provision of parking in new development in favour of strategic and on-street parking whilst introducing standards for car clubs / bike hubs, cycle parking / shelters and other infrastructure to support car-free development.

The Council's policy approach on the setting of local car parking standards should accord with the 2019 NPPF (paras 105 & 106).

The HBF is supportive of encouragement for the use of electric and hybrid vehicles via a national standardised approach implemented through the Building Regulations to ensure a consistent approach to future proofing the

housing stock. Recently, the Department of Transport held a consultation on Electric Vehicle Charging in Residential & Non-Residential Buildings (ended on 7<sup>th</sup> October 2019).

This consultation set out the Government's preferred option to introduce a new functional requirement under Schedule 1 to the Building Regulations 2010, which is expected to come into force in 2020. The inclusion of EVCP requirements within the Building Regulations 2010 will introduce a standardised consistent approach to EVCPs in new buildings across the country. The requirements proposed apply to car parking spaces in or adjacent to buildings and the intention is for there to be one charge point per dwelling rather than per parking space. It is proposed that charging points must be at least Mode 3 or equivalent with a minimum power rating output of 7kW (expected increases in battery sizes and technology developments may make charge points less than 7 kW obsolete for future car models, 7 kW is considered a sufficiently future-proofed standard for home charging) fitted with a universal socket to charge all types of electric vehicle currently on the market and meet relevant safety requirements. All charge points installed under the Building Regulations should be un-tethered and the location must comply with the Equality Act 2010 and the accessibility requirements set out in the Building Regulations Part M. The Government has estimated installation of such charging points add on an additional cost of approximately £976.

The Government has also recognised the possible impact on housing supply, where the requirements are not technically feasible. The Government's recent consultation proposed introducing exemptions for such developments. The costs of installing the cables and the charge point hardware will vary considerably based on site-specific conditions in relation to the local grid. The introduction of EVCPs in new buildings will impact on the electricity demand from these buildings especially for multi-dwelling buildings. A requirement for large numbers of EVCPs will require a larger connection to the development and will introduce a power supply requirement, which may otherwise not be needed. The level of upgrade needed is dependent on the capacity available in the local network resulting in additional costs in relation to charge point instalment. The Government recognises that the cost of installing charge points will be higher in areas where significant electrical capacity reinforcements are needed. In certain cases, the need to install charge points could necessitate significant grid upgrades, which will be costly for the developer. Some costs would also fall on the distribution network operator. Any potential negative impact on housing supply should be mitigated with an appropriate exemption from the charge point installation requirement based on the grid connection cost. The consultation proposes that the threshold for the exemption is set at £3,600. In the instances when this cost is exceptionally high, and likely to make developments unviable, it is the Government's view that the EVCP requirements should not apply and only the minimum Energy Performance of Buildings Directive requirements should be applied.

In conclusion, it is not necessary for the Council to specify provision of EVCPs because of the Government's proposed changes to Building Regulations.

## Conclusions

It is hoped that these responses are helpful to the Council in informing the next stages of the Cornwall Climate Change DPD's preparation. For the DPD to be found sound under the four tests of soundness as defined by the 2019 NPPF (para 35), the DPD must be positively prepared, justified, effective and consistent with national policy. The HBF look forward to submitting further comments during future consultations. If any further information or assistance is needed please contact the undersigned.

Yours faithfully  
for and on behalf of **HBF**

A handwritten signature in blue ink, appearing to read 'S E Green', is positioned above the printed name.

**Susan E Green MRTPI**  
**Planning Manager – Local Plans**