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Planning and Place Service
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SENT BY EMAIL
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Dear Planning Policy Team,

LANCASTER LOCAL PLAN: CLIMATE EMERGENCY REVIEW MAIN MODIFICATIONS

1. Thank you for consulting with the Home Builders Federation (HBF) on the Lancaster Local Plan Climate Emergency Review Main Modification consultation.
2. 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.

Development Management Development Plan

MM14: Policy DM30a: Sustainable Design

3. The Council proposes to amend this policy to refer to new build residential development, and to state that new build residential development will be required to achieve the following:
On adoption of this Local Plan:
 - A minimum 31% reduction in carbon emissions against Part L of the Building Regulations 2013 expressed as a % uplift of the dwelling's Target Emissions Rate (TER).By 01/01/2025:
 - A fabric first approach shall be used to reach a minimum 75% reduction in carbon emissions against Part L of the Building Regulations 2013 expressed as a % uplift of the dwelling's TER.By 01/01/2028:
 - A 100% reduction (Net Zero) in carbon emissions associated with regulated energy against Part L of the Building Regulations 2013 expressed as a % uplift of the dwelling's TER.



4. The HBF continues to consider that this policy is not sound as it is not justified or consistent with national policy.
5. The HBF continues to recognise the need to move towards greater energy efficiency via a nationally consistent set of standards and timetable, which is universally understood and technically implementable. This in line with the Written Ministerial Statement of December 2023 (WMS)¹, which states that the Government does not expect plan-makers to set local energy efficiency standards for buildings that go beyond current or planned building regulations. The proposed modifications clearly go beyond planned building regulations with the net zero requirement from 01/01/2028.
6. The WMS clearly states that any planning policies that propose local energy efficiency standards for buildings that go beyond current or planned building regulations 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 NPPF; and the additional requirement is expressed as a percentage uplift of a dwellings Target Emissions Rate (TER) calculated using a specified version of the Standard Assessment Procedure (SAP).
7. The HBF does not consider that the Council have a well-reasoned and robustly costed rationale. The HBF does not consider that development remains viable and the HBF does not consider that the impact on the housing supply and affordability have been fully considered by the Council. The Council does not appear to have updated its Viability Assessment in light of these further main modifications. The 2021 Viability Assessment considers Part L to deliver 31% reduction in carbon, the Future Homes Standard and an allowance to move to net zero carbon position based on Passivhaus Plus equivalent cost. It highlights the viability challenges in Lancaster. The Assessment highlights that there is a reduced headroom across all typologies due to significant increases in build costs when the Future Homes Standard is considered. It shows that with the Future Homes Standard at the higher benchmark land values the smaller sites in both Carnforth and Morecambe, Heysham and Overton are shown as unviable using current costs and values. The Assessment then goes on to consider the net zero approach to build standards and this shows that that 6 dwellings and 15 dwellings schemes particularly in Carnforth and Morecambe, Heysham and Overton, and a couple of schemes in Lancaster are not viable. The Assessment shows that higher density development is generally not viable at the 2025 Future Homes Standard and the net zero approach. The Assessment also shows that strategic sites are not viable at the Future Homes Standard and most are not viable at the net zero approach. It is therefore evident that this policy would not be in line with WMS, the policy does not lead to development remaining viable as identified by the Council's own viability evidence. The HBF does not consider that the Council have considered the impact this policy could have affordability or on housing supply. The HBF continues to consider that this policy should be deleted and left for building regulations, avoiding the same set of requirements being considered twice, and potentially reaching differing conclusions. It also avoids any conflict between the requirements of whatever

¹ WMS December 2023 <https://questions-statements.parliament.uk/written-statements/detail/2023-12-13/hcws123>

building regulations are in place at 01/01/2025 and 01/01/2028 and the requirements of the planning policy, which may lead to confusing and costly builds to meet both sets of requirements.

8. The HBF is also concerned that the costs used in the Viability Assessment are not fully reflective of the costs to incorporate the Future Homes Standard or the move to Net Zero. The Future Homes Hub published a report 'Ready for Zero: Evidence to Inform the 2025 Future Homes Standard' in February 2023². The report drew on expertise from over 170 experts from more than 100 organisations covering home building, supply chain, consumer and public organisations, construction professions and campaign organizations. It identifies 5 contender specification philosophies these range from CS1: consistent with the expectation that the Future Homes Standard should reduce carbon emissions by a minimum of 75% from 2013, to CS5: to improve fabric efficiency to a level that a comfortable temperature is maintained without a heating system, with zero regulated carbon emissions with a SAP energy positive performance for end-terrace, mid-terrace and bungalow house types and close to net zero for apartments, semi-detached and detached homes. The report identifies potential costs for CS1 of £2,580 or 2% above Buildings Regulation 2021 costs, and for CS5 at £19,170 or 17% above Building Regulation 2021 costs. This isn't directly comparable to the Viability Assessment costs but does suggest that the costs may have been underplayed in the Assessment particularly for the Net Zero approach. Therefore, the HBF considers that the potential impact on viability is ever greater than that identified by the Council, with even more potential for impact on affordability and supply.
9. However, if the policy is to be retained, the WMS goes on to state that 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 and access to adequate supply chains. Therefore, the HBF considers that if this policy is to be retained there is a need for significant amendment to allow for greater flexibility to reflect the issues identified in the WMS.

New paragraph 11

10. The Council propose to add a new paragraph 11 which states that for schemes where the build period would extend beyond 1 January 2025 and/or 1 January 2028, the applicant should provide details of phasing within the Energy and Carbon Statement. Planning permission will be subject to conditions in respect of phasing and carbon reduction requirements, to ensure that each new home is built to the relevant carbon reduction requirements in place at that time.
11. The HBF is concerned by this addition as this has potential to have significant impacts on the deliverability of development, particularly in relation to viability, which could potentially

² <https://irp.cdn-website.com/bdbb2d99/files/uploaded/Ready+for+Zero+-+Evidence+to+inform+the+2025+Future+Homes+Standard+-+Task+Group+Report+FINAL-+280223-+MID+RES.pdf>

lead to schemes stalling or requiring further permissions, amendments or modifications part way through the construction of the scheme. The HBF considers that this new paragraph should be deleted or amended to make clear that the policy is as applied at the application date rather than for the construction of each individual home. Particularly as timescales may not coincide with those set out in building regulations which again may cause confusion and issues with delivery.

Future Engagement

12. I trust that the Council will find these comments useful as it continues to progress its Local Plan to adoption. I would be happy to discuss these issues in greater detail or assist in facilitating discussions with the wider house building industry.

13. The HBF would like to be kept informed of the adoption of the Local Plan, the Publication of the Inspector's Report and all forthcoming consultations upon the Development Plan and associated documents. Please use the contact details provided below for future correspondence.

Yours sincerely,



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