Winchester District Local Plan Part 1 – Joint Core Strategy

Submission June 2012

Background Paper – Sustainable Built Development and Renewable Energy Policies

June 2012

South Downs National Park Authority

Winchester City Council

CONTENTS **PAGE**

1.0 INTRODUCTION

1.1 This paper is concerned with the sustainability policies CP11 and CP12 of the Local Plan Part 1. This paper describes what the policies are about and explains the development of the policies from the first identification of issues to the final submitted policies. The paper concludes with an examination of the soundness of policies CP11 and CP12.

1.2 This paper has been produced as there has been considerable interest and local debate as to the form and content of sustainable planning policies for the District. This paper outlines the evolution of the polices from the original identification of issues and explains why they are now being expressed in the form proposed. There has been particular interest in the use of levels of various aspects of the Code for Sustainable Homes, especially where they differ from current national requirements. This paper explains the rationale behind the standards and levels expressed in the policies.

1.3 It is considered that there is a need for this paper to explain how the policies have been developed. It also provides justification as to the actual standards proposed. This paper follows a chronological format from the initial identification of issues, to the final submission Plan policies.

2.0 TIMETABLE

2.1 The table below provides a brief summary of the main stages in the development of policies CP11 and CP12:

Date	Document/Action
Feb/March 2007	Live for the Future frontloading
July 2007	Sustainability Appraisal - Scoping
December 2007	Issues & Options published
March 2009	PUSH Sustainable Development SPD Resource Document - Introduction
April 2009	Draft PUSH Sustainable Development Resource Document - Water
May 2009	Draft PUSH Sustainable Development Resource Document – energy/CO2
May-July 2009	Preferred Options published
February 2010	Low Carbon Planning Policy Viability Study published
January 2011	Interim Policy Aspirations agreed by Council
November 2011	Sustainable Buildings Guidance for Planning Applications agreed and published
January 2012	Pre-Submission Joint Local Plan Part 1 (Core Strategy) published
June 2012	Local Plan Part 1 Submitted

3.0 EVOLUTION: ISSUES – ISSUES & OPTIONS

3.1 The impetus for the low carbon energy policies in the Local Plan Part 1 came from a number of sources, both external and internal to the Council.

3.2 Initial exploration of issues for the Local Plan (termed Core Strategy at the time) came at a time of heightened awareness of climate change and particularly of the need to address global warming and future flood risk.

3.3 Nationally, great concern was emerging over these issues with recognition at government level, such as the publication of the Stern Review in October 2006 and actions proposed to tackle climate change. The Code for Sustainable Homes (CfSH) was published in December 2006 which set targets for various levels of carbon emissions and water consumption amongst other sustainability components. Crucially – although not an obligatory regulation – it set a target for all new homes to be zero carbon by 2016. The government addressed this target with its proposed step-changes to Building Regulation requirements set out in the 'Building a Greener Future' document (draft December 2006 and policy published July 2007). It also began work on the Climate Change Bill, which proposed setting targets for greenhouse gas emissions for the UK.

3.4 At this time the role of planning in addressing climate change was also recognised in Planning White Paper: Building for a Sustainable Future. In December 2006 the Planning for Climate Change guidance was published in draft, which subsequently become the Annex to PPS1: Planning for Climate Change' in December 2007. At the regional level, the South East Plan was being finalised and contained a raft of policies addressing climate change, including reductions in carbon emissions, sustainable design and construction and setting challenging standards for renewable energy generation. These were subsequently discussed and developed even further at the sub-regional level by the Partnership for Urban South Hampshire (PUSH), which includes the southern part of the Winchester District.

3.5 Within the Council and its partners, there was also a growing awareness of climate change and desire to tackle its effects. Apart from the national awareness and drivers for change, it became clear that Winchester District had an identified problem with its level of carbon emissions, as reports showed that the District had one of the highest carbon footprints in the country (14.10 tonnes CO_2 average emissions per year per head, compared to the South East average of 13.17 and the UK average of 12.10 tonnes according to 2006 Resources and Energy Analysis Programme [REAP] figures). The District is also within an area identified by the Environment Agency as being under water stress. It was therefore important that actions should be taken to reduce carbon emissions and conserve water as a matter of urgency to respond to the particular issues and circumstances of the District.

3.6 **Live for the Future**

3.7 The first Local Plan frontloading exercise 'Live for the Future' (LftF) was carried out during February and March 2007. This was to identify key issues in the District and stakeholders' views on the future direction of the area. Given the above background, the opportunity was taken to ask participants their view on the importance of energy-reduction and renewable energy measures. The questionnaire results showed that the question *'New developments meet high energy-efficiency specifications, above the minimum requirements and incorporate renewable energy technologies'* was ranked 5 (rank 7 – most imp,

1 –least imp) in the ‘High Quality Environment’ Section of the LftF questionnaire (7 was natural habitats, 6 was pollution). (Appx 18 of the report of proceedings doc [CAB 1472 {LDF} Appendix A])

3.8 A need for new buildings to be eco-friendly and carbon-neutral was identified as one of the issues emerging from the participation exercise on the future of the District (CAB 1472 [LDF]June 2007, page 5 refers. Also the ‘Report of Proceedings of the WLDF Core Strategy campaign). Climate change was often identified indirectly as a major issue, with many respondents mentioning the need to reduce travel and commuting and concerns regarding water supply and quality.

3.9 Around this time, further moves were being made to tackle climate change locally. In February 2007, the Council’s Sustainable Community Strategy (SCS) was published and subsequently the Winchester District Strategic Partnership (WDSP) was launched to carry out the actions proposed by the SCS with stakeholders and the community at large. In October the Winchester Action on Climate Change (WinACC) group was set up as a charity to promote and help deliver action to reduce carbon footprints in the District with individuals, groups and the City Council.

3.10 The SCS identified priorities to reduce the amount of carbon emissions per head (priority 14) and to increase the renewable energy capacity (priority 15) within the District, as part of the High Quality Environment outcome. The LDF is an important tool for implementing the SCS and should be addressing the land use implications of these priorities.

3.11 Following this, the ‘Tackling Climate Change Plan’ was published by the City Council for consultation in June 2007. The TCCP identified four outcomes that all have implications for the LDF. These were –

Greenhouse Gas Emissions Reduction
Renewable Energy Generation
Adaption Planning and
Community Involvement

3.12 A number of comments were made in response to the Tackling Climate Change Plan, which were relevant for the LDF, such as designing new buildings which minimise the need for heating and lighting so as to be carbon neutral, the requirement for a percentage of energy for new development to come from renewable sources and policies to reduce the need to travel. These reflected comments received at the Live for the Future community events.

3.13 The Scoping stage of the Sustainability Appraisal was carried out for the Core Strategy in July 2007 and identified sustainability problems and issues that the LDF needed to address. Climate change was highlighted as a key cross-cutting issue. The level of development being proposed in the area – partially as a result of the South East Plan - was seen as likely to led to more carbon emissions. The sustainability objectives included reducing carbon emissions (largely by reducing unsustainable traffic and transport trends caused by the

location of developments), improving energy conservation, improving energy and water resource efficiency and encouraging the use of renewable energy.

3.14 The Sustainability Appraisal identified 15 Sustainability Objectives of which several were particularly relevant for low carbon policies: eg, 7 (water), 9 (climate change), 10 (sustainable construction).

3.15 Given the national and regional background towards targets and action on climate change, the proposals for action in the draft Winchester's SCS and draft Climate Change Plan, the interest of local stakeholder groups and the feedback from the Live for the Future exercise, together with the Sustainability Scoping Report, it is only proper that the Core Strategy Issues and Options proposed several policies to address these issues.

3.16 Winchester's Climate Change Plan highlighted several areas that the LDF should address. These included avoiding unnecessary vehicular trips, the creation of sustainable communities, and - of particular relevance to this paper – exploring the renewable energy potential of the District and promoting schemes as appropriate, requiring new buildings to generate/use low carbon energy and using sustainable design techniques for new buildings to minimise energy requirements. Adaption planning, including water conservation measures and undertaking a flood risk assessment, should be undertaken.

3.17 Explicitly recognising the implications of the Climate Change Plan, the Climate Change Bill and the Code for Sustainable Homes, the Issues and Options Core Strategy, put forward two broad strategic options of 'meeting minimum requirements' or a 'more ambitious option' for various aspects of climate change.

3.18 The suggested range of climate change options presented were:

- Carbon reduction targets for the District 26-32% by 2020, or 35-40% by 2020,
- Adopt Code for Sustainable Homes Levels Level 6 by 2016/SEP requirements or adopt the PUSH requirements Level 3/ BREEAM 'Very Good' now, Level 4/ 'Excellent from 2012, Level 6/'Excellent' from 2016.
- Require that 10 % of energy generated for new developments to be on-site or from local renewable/sustainable sources, or require a higher percentage (eg 20%).
- Waste management, recycling and composting in line the Hampshire Minerals and Waste Core Strategy, or exceed the Strategy.
- Water efficiency standards to be national standards, or adopt the higher PUSH requirements.

3.19 The Issues and Options document was published for consultation in December 2007. The options as set out in the Issues and Options document are enclosed as Appendix One

4.0 ISSUES AND OPTIONS – PREFERRED OPTIONS

4.1 Feedback on the Issues and Options consultation and consideration of policies for the Preferred Option stage is provided in the Cabinet Report CAB 1743 (LDF) November 2008. This provides a comprehensive assessment of the responses, background to climate change policies, consideration of reasonable alternatives for policies and a conclusion of recommended actions for the Core Strategy and implementation. This section of this paper highlights the key points, issues and actions raised in CAB 1743.

4.2 Issues and Options Responses.

4.3 The Issues and Options consultation contained a questionnaire and several questions related to the climate change policies. Question 15a asked which of the two options were most appropriate for addressing climate change. 655 responses were received to this question, with 58% choosing Option 1 and 42% choosing Option 2. Question 15b asked respondents who chose Option 2 to state why they considered more stringent climate change targets needed to be set. 240 detailed comments were received to question 15b. Question 15c asked whether there were any other climate change targets that the District should aim to meet. Question 15c received 130 comments. Responses to question 15b and 15c can be viewed on the Council's website at Issues and Options Questionnaire Responses

4.4 Public Workshops

4.5 The issues of carbon reduction and renewable energy were discussed at the majority of the Issues and Options workshops held during January 2008. Some of the relevant key points in relation to this were:

- Having more development in the District will increase CO_2 emissions
- Important to go for challenging carbon reduction targets, although query over what is realistic
- Buildings need to be designed for sustainability and planning and building regulations have a role in this
- There is a need for renewable energy. This needs to be encouraged as developers are not putting in enough at present
- CHP, wind turbines, solar panels and ground source heat pumps are all technologies worth investigating
- Climate change will heighten flood risk, this needs addressing.

4.6 Member and Developer Seminar

4.7 The 'New Homes for Winchester District: Learning from Best Practice' seminar, held on 8th September 2008 (see Consultation Statement or CAB 1743 Appendix D for details), discussed sustainable design in relation to new housing. The delegates considered that the timescale for achieving CfSH

standards is challenging. The cost of constructing to higher standards was a major concern, particularly with smaller developments. It was therefore felt that a threshold should be included in any policy. It was considered that the council should provide leadership in this field and help to develop knowledge locally. The council should set an example in its own buildings and the Co_2 emissions of existing buildings should not be neglected.

4.8 Given that Code is being introduced, it was felt that planning policies should use the Code criteria, rather than creating additional requirements. However, priority elements of the Code could be chosen, such as CO_2 emissions.

4.9 **National, regional & local developments**

4.10 During 2008, there was a continuing drive towards the implementation of measures to tackle climate change. The UK Renewable Energy Study was published in July containing a legally binding target of the production of 15% of energy from renewable sources by 2020. In November the Climate Change Act set a target of a 90% reduction in carbon emissions by 2050 from 2004 levels.

4.11 Of direct relevance to planning and the carbon reduction policies, The Annex to PPS1 on Climate Change was published in December 2007. This stated that planning authorities should promote and encourage renewable and low carbon energy generation and should help to achieve the national timetable for reducing carbon emissions. It recognised the legitimacy of policies relating to sustainable buildings. Crucially for the development of these polices, it allowed for the setting of local requirements for building sustainability in advance of the national standards. Planning authorities had to justify any local requirements in relation to their local circumstances (para 31). The Annex stated that requirements should be specified in terms of nationally described sustainable building standards. The Annex provided the example of the Code for Sustainable Homes and also stated that requirements could be solely in relation to the energy standard of the particular level of the Code, rather than require all aspects of a Code level.

4.12 These developments – and particularly the PPS1 Annex – provided a clear steer from government towards the promotion of renewable energy and sustainable building polices. The Annex allowed for local requirements to be developed where justified and viable and also provided for the use of specified parts of the Code, which is the approach that Winchester has taken in the Core Strategy policies.

4.13 At the regional level, the government published proposed changes to the South East Plan in July 2008, following the report of the Examination in Public. This promoted sustainable and low carbon development. It also specifically encouraged local planning authorities to have policies that would secure 10% of the energy demand of developments from decentralised and renewable or low-carbon sources (Policy NRM11). The South East Plan also required improvements in water efficiency in the PUSH area (Policy SH8).

4.14 The Partnership for Urban South Hampshire (PUSH) had also been developing a policy on this and published the PUSH Sustainability Common Policy Framework in March 2008. This included a set of principles that to be agreed amongst the authorities of the PUSH area and carried forward into their planning documents. Winchester was party to this Framework, as the PUSH area covers part of the southern part of the District, and is an area where a large proportion of the Council's housing requirement will be located. This was followed in 2009 by a series of more detailed SPDs on Sustainable Development, Water and Energy (link as above).

4.15 The PUSH Framework promotes policies that address flood risk, by referring to PPS25 and the PUSH SFRA. The Framework proposed that following scale of standards for CfSH and BREEAM as relevant:

- CfSH Level 3/BREEAM 'very good' up to 2011
- CfSH Level 4/BREEAM 'excellent' from 2012 and
- CfSH Level 6/BREEAM 'excellent' from 2016

4.16 The PUSH Framework also promotes schemes that will make a contribution to the delivery of an amount of renewable energy by 2020. The PUSH Energy Study (Arup March 2009) produced a target of 100 MWe for PUSH as a whole and an 'indicative apportionment' of 9.55 MWe for that part of the Winchester District within PUSH.

4.17 The Hampshire Local Area Agreement was signed off by the Secretary of State in June 2008, and as a statutory partner, Winchester signed up to its targets in September. This included a target of 10% reduction in the area's CO_2 emissions by 2011 and the development of plans to adapt to climate change.

4.18 Following this, Winchester's Climate Change Plan was published in December 2007, as previously discussed. The Change Plan included a challenging local target of reducing carbon dioxide emissions in the District by 30% by 2015 from the 2004 baseline.

4.19 **Winchester District Renewable Energy Study**

4.20 The above developments, taken with the comments received on the Issues and Options, highlighted the need for further work on this area. Accordingly, a Renewable Energy Study was commissioned to assess the potential for renewable energy generation and the benefits of various approaches.

4.21 The Renewable Energy Study for Winchester District (ESD December 2009) identified the important role of renewable energy technologies in meeting the District's aspirations for high levels of CO_2 reduction. The Study calculated a target potential equivalent to 17% of current energy demand. A high proportion of that potential would be from large-scale wind power. However there are environmental constraints on this, so other methods would also be required, as would reducing the carbon emissions of buildings.

4.22 The Renewable Energy Study showed that biomass is potentially the major source for renewables in the District (50% of the target potential). The creation of CHP and district heating/cooling systems will help to stimulate this market and they are the most cost-effective way to meet higher CfSH levels.

4.23 **Sustainability Appraisal of I&O Policies**

4.24 The sustainability Appraisal of the Issues and Options concluded that Option 1 performed well against the SA objectives relating to infrastructure, health, climate change, waste and water. This option would help to meet the target for climate reduction in the Winchester Climate Change Strategy. Production of energy on-site and energy and water efficient buildings would reduce pressure on existing infrastructure. Waste management, recycling and composting would have a positive effect on infrastructure. Reduction in carbon dioxide emissions would have a long-term positive effect on climate change, health and pollution. SUDs and levels of Code for Sustainable Homes requirements higher than national requirements would help reduce flood risk.

4.25 The Sustainability Appraisal for Option 2 found that this more ambitious option performed well against the majority of the SA objectives. The effects are in the same areas as for Option 1, but the beneficial effects are greater. However, the Appraisal also found that there could be some adverse effects on heritage and that there could be a short-term negative impact on housing by increasing house prices in the area. The Sustainability Appraisal also found that the policies could address flooding more explicitly, particularly long term adaption measures. This issue was also highlighted as important by Winchester City Council's Strategic Flood Risk Assessment.

4.26 **Consideration of Reasonable Alternatives for Preferred Options**

4.27 The above analysis of developments shows a clear desire from the various consultations to address climate change by targets, energy efficiency and adaption planning. This is followed through from national strategies and national planning policies through to regional and sub-regional planning policies. There is a clear recognition of the need to tackle climate change in the Winchester District, particularly in view of its high baseline carbon footprint, and plans and strategies have been put in place to address this. Aspirations and targets are included in some of these plans. These policy directions needed to be followed through into the LDF, where appropriate through planning policies and targets in the Core Strategy.

4.28 The frontloading and Issues participation had raised the issue of climate change and there was general recognition of the need to tackle the problem. Public meetings, stakeholder discussions and questionnaires and a targeted seminar all specifically addressed the issue, as described above. There was discussion as to the type and scale of requirements that should be set by policies and therefore the Preferred Options sought to address this.

4.29 CAB 1743 (LDF) laid out a series of alternatives in relation various aspects of sustainability and climate change and assessed the relative merits of a number of approaches. The report considered reasoned alternatives, whilst having

regard to the background of local targets of reduction in CO_2 and renewable energy generation. The advantages and disadvantages of requiring higher than national standards were discussed.

4.30 To avoid repetition, the detailed assessment is not included in this document, but can be viewed as part of CAB 1743 (LDF) . This includes the assessment of reasonable alternatives and recommended action. Annex 1 of CAB 1743 (LDF) also lists the key points made by respondents together with the officer response and suggested action.

4.31 In relation to CfSH/BREEAM levels, CAB 1743 (LDF) considered the options of following national timescales for Code levels or requiring higher levels earlier, in totality and for selected aspects of the Code or Specific sites. The report considered that higher Code levels would be of greater benefit in reducing CO2 levels in line with the targets set in Winchester's Climate Change Strategy. The 30% reduction by 2015 within that Strategy represents a more challenging target than the trajectory to meet the national 80% target. The report also recognised the concerns of respondents and consultees that requiring higher standards in advance of the national timetable might result in additional burdens on developments and that the Core Strategy needed to demonstrate that such standards were appropriate and sound for the District.

4.32 In relation to renewable energy generation the report considered that targets relating to electricity and heat generation from renewable sources should be included in the Core Strategy, consistent with the PUSH Sustainability Framework. Policies to require 10% of energy demand from renewable sources on-site and enable CHP/District Heating Systems, would meet the requirements of policies NRM11 and NRM12 of the SEP. Higher requirements would have greater impact on CO_2 emissions and achieve higher levels of CfSH, but might represent an undue burden on developers or result in unsuitable technologies being relied on. The report considered looking into more flexible requirements allowing for contributions to off-site generation and the retrofitting of existing stock.

4.33 In relation to climate change adaptation the report considered that using national standards for water efficiency, sustainable drainage and flood protection might not adequately cover local circumstances. Further work was required on relevant adaption measures through the LAA process over the following 3 years.

4.34 The conclusion reached was that hybrids of the various options should be proposed in order to limit the burdens on developers. Core Strategy policies should seek higher Code levels for the Energy/CO_2 element of the CfSH as these would provide the greatest benefit in the issue of urgent need, given that Winchester has a particularly high carbon footprint and where WCC has an agreed target for a high level of reduction in CO_2. The higher Code levels could be sought for specific sites where this is achievable and justified.

4.35 In relation to energy generation, the report considered that the Core Strategy should include a policy to secure 10% of energy to be from renewable energy generated on-site where this is most appropriate for local circumstances. The

policy should be flexible to allow for developer contributions to off-site generation. Site size thresholds or site specific conditions should also apply. The Core Strategy should use a hierarchy where energy efficiency measures are utilised before renewable energy technologies.

4.36 The report recognised that there would need to be further work on some of the details of the policy to ensure its impact is maximised, whilst ensuring it is sound in planning terms.

5.0 PREFFERED OPTION – PRE-SUBMISSION

5.1 The Core Strategy Preferred Option was published in May 2009. There were a number of policies that covered issues of sustainability as sustainable development is a cross-cutting objective that runs throughout the Strategy as a whole. Areas covered include high quality sustainable design, biodiversity, green infrastructure and flood risk. The relevant policies for this version of the Plan were CP13 Sustainable Low and Zero Carbon Built Development and CP14 Renewable and Decentralised Energy. The policies are included in full as Appendix 2 of this paper.

5.2 CP13 Sustainable Low and Zero Carbon Built Development

5.3 This policy required new residential developments to achieve Level 3 of the CfSH from the adoption of the plan, except for the energy and water aspects of the Code, where Level 5 was required. From 2016 all aspects of Level 6 must be met. Non-residential developments should meet 'BREEAM Excellent' from the adoption of the Core Strategy and 'BREEAM Outstanding' from 2012. Developments should maximise energy efficiency in their design, be adaptive for climate change and reduce waste and enable segregation and recycling.

5.4 CP14 Renewable and Decentralised Energy

5.5 This policy encouraged the use of renewable and decentralised energy systems, with a hierarchy of options, ranging from connecting to CHP and District Heating/Cooling networks, or contributing to their development, generate at least 20% of their anticipated energy demand on-site, use of-site generation, or – if none of the above was possible – make a contribution to a District Carbon Reduction Fund. The policy also expressed the Council's general support for renewable and decentralised energy in the District. It specifically supported the creation of CHP/district heating/cooling systems and required their consideration before microgeneration technologies. The policy also required that large-scale renewable energy developments have a strong degree of community benefit and/or ownership.

5.6 Low Carbon Planning Policy Viability Study (Element Energy) Feb 2010

5.7 Following the publication of the Preferred Option policies and in response to comments on them, the Council commissioned a viability study to test the costs of meeting the requirements of Policy CP13. This was a key issue raised in the Preferred Option comments and the study would provide evidence to develop a sound policy that was deliverable. This also included a re-evaluation of CP14. The 'Low-Carbon Viability Study' was undertaken by Element Energy and was

completed in February 2010. It proposed several options for taking these climate change policies forward.

5.8 The Study examined the 'extra over' costs of various levels of CfSH in relation to Energy and Water. The impact of tightening Building Regulations, 70% carbon compliance and zero carbon housing, was also taken into account. The Study tested various forms of development scenarios and various possible planning policy options. The development scenarios tested were – rural infill, urban infill, small brownfield, small urban extension and large urban extension. A summary of their findings in relation to these scenarios at different code level is at figure 19 of the study. A summary of the policy options which were tested is provided in figure 2 of the Study and attached as Appendix 4of this document.

5.9 The Low Carbon Study found that the 'extra over' costs of complying with zero carbon development after 2016 were significant. The Study found that costs of complying with a 70% zero carbon compliance and using allowable solutions for remaining carbon emissions were more reasonable in terms of costs and technical feasibility. The Study states that the high costs of Code Level 6 energy requirement, together with technical difficulty of achieving the standard on-site were significant factors in the government's decision to adopt the 70% compliance and hierarchical approach to the Zero Carbon Policy.

5.10 When considering possible policy options, the Study assumed 70% carbon compliance (that is, covering on-site regulated emissions only) as a base for all the options. In itself, this measure would greatly improve the viability of developments and would be in alignment with the government's approach to carbon compliance. The options summarised in Appendix 3 contained variants whereby the requirement to offset the remaining emissions were introduced at varying times and varying water consumption standards were also specified. The assessment showed that whilst delaying the requirement for offsetting would result in lesser CO_2 reductions than requiring offsetting from the outset, the costs to developers would also be lower. This would therefore assist with viability, whilst still being in advance of national requirements. The Study also showed how delaying the requirement for higher Code Levels for water consumption would have a significant effect on costs.

5.11 The Low Carbon Study also considered commercial buildings. Less research has been conducted into the costs of BREEAM levels on developments. However, the Study concluded that as the costs of achieving BREEAM Outstanding rating are currently uncertain, it may be reasonable to leave the requirement at Excellent, but possibly requiring Outstanding in relation to Energy from 2013, when the Building Regulations are expected to be tightened. This would still leave Winchester in advance of national standards.

5.12 The Study conducted a cost assessment of CP14 and considered that biomass boilers were more cost effective for developers than gas CHP and district heating strategy and were therefore more likely to be installed. CHP/district heating was more likely on large sites, particularly where there is a mix of uses to support the efficient running of schemes. The Study concluded that if a developer has complied with CP13, they will automatically have achieved 20%

of generation of energy on-site. They concluded it was therefore not clear what additional action would be required to comply with CP14 and that the 20% energy generation requirement may be superfluous if CP13 were retained.

5.13 The Low Carbon Study discussed 4 likely policy options in the light of their findings. The policy options would have different levels of build costs and result in different amounts of benefits in the reduction of CO_2. They concluded that the on-site carbon reduction requirement should be set at 70% of regulated emissions in line with the emerging zero carbon homes standard. This in itself would result in considerable savings of the cost of compliance with the policy. There would therefore be no specific requirement for on-site energy provision in all cases. However remaining emissions should be off-set by so-called allowable solutions. This could be a contribution to off-site provision or to a buy-out or carbon off-set fund.

5.14 **Feedback on Preferred Options**

5.15 The results of the consultation on the Preferred Option policies together with a recommended approach which took into account the viability study were considered at the LDF Cabinet meeting on 10th March 2010 (CAB 1983 (LDF) Appendix E) . The analysis showed that there was general support for the promotion of policies to address CO_2 emissions and encourage renewable energy generation, but there was also concern expressed regarding the viability of CP13. Developers in particular considered the requirements for higher levels of CfSH to be impractical and unviable. On the other hand, there were some comments supporting higher levels and suggesting that the policies did not go far enough. There was recognition from environmental groups that policies needed to be viable to be achievable.

5.16 The committee agreed that Policy CP13 should be re-drafted to reflect the findings of the viability study and to allow development to contribute to off-site carbon reduction measures in relation to energy. The timing of the introduction of the various requirements should also take account of the additional build cost over and above the regulatory requirements likely to be in force at the time.

5.17 In relation to CP14, the committee agreed with the recommendation that this policy should also be redrafted to reflect the findings of the viability study. It was not clear whether the policy would still be required – particularly the suggested hierarchy. The policy should continue to promote renewable and decentralised energy technologies, as in the second part of the policy.

5.18 **Interim Policy Aspirations**

5.19 Following the Government's announcement of its intention to abolish regional guidance, it was considered that there was a need for policy guidance in a number of areas, climate change being one. Another reason why it was considered that an interim policy was required was that it was a key policy reflecting the Council's aspirations and corporate strategies in this area and the previous planning policies in the 2006 Local Plan had not been 'saved'. Interim policy guidance was also considered necessary as the emerging Core Strategy

policies were changing from those put forward in the Preferred Option. The timetable for adopting the Core Strategy was another reason for the interim policy, as discussed below.

5.20 In July 2010, the government announced its intended abolition of the Regional Spatial Strategies, which include the South East Plan. In July 2009 Winchester City Council had saved required policies of the WDLPR 2006, in advance of the production of the LDF. The only policy in relation to renewable energy (policy DP15) was not saved. At the time - in 2009 - it was considered that the South East Plan policies would supersede DP15, being more comprehensive and up-to-date. However. with the abolition of the South East Plan, the Council was faced with having no planning policies in relation to renewable energy.

5.21 The Core Strategy was now also subject to a delay of between 6 -12 months. Therefore it was clear that there would be significant policy gap in this area for some time. Interim policy aspirations were therefore prepared in respect of climate change.

5.22 The Interim Policy Aspirations were considered by the Council's LDF Cabinet in October 2010. The Aspirations sought to achieve 'high Code for Sustainable Homes levels' of water and energy efficiency (having regard to the economics of development) and allowed for up to 30% of regulated emissions to be provided off-site or through a financial contribution. Non-residential developments should achieve BREEAM 'Very Good' standard and 'Excellent' from 2012 (subject to economics) Developments should be designed to minimise the need for energy use. The Aspirations stated that the Council supports schemes for the generation of renewable and decentralised energy.

5.23 It was considered that this approach would seek to achieve high Code levels, without specifying Level 5 and provide for allowable solutions in line with emerging government policy on Zero Carbon. The energy hierarchy approach would also be endorsed in the policy.

5.24 During the LDF Cabinet discussion, concerns were raised by members and by the representative of the WinACC organisation that the policy was neither specific nor strong enough. The committee agreed that that interim policy be amended to specify Level 5 as a minimum and that reference to the economics of developments be removed, as un-necessary. The committee also recommended that a report be prepared to a future Cabinet meeting on the operation of the proposals to allow a financial contribution to off-set provision to deal with up to 30% of regulated emissions.

- The amended interim policy aspirations were agreed by full Council on12th January 2011. Subsequently, the precise wording of the policy was agreed by the LDF Cabinet. The interim policy aspirations in relation to climate change are as below:

- That new residential developments achieve Code for Sustainable Homes Level 5 for energy and water efficiency, but allowing for up to 30% of regulated emissions to be provided off-site or through a financial contribution;

- That new non-residential developments achieve at least the BREEAM 'Very Good' standard, and 'Excellent' from 2012;

- That new developments maximise energy efficiency by ensuring the highest standard of building envelope, to minimise the need for energy use;

- That the Council is supportive of schemes for the generation of renewable and decentralised energy.

6.0 SUSTAINABLE BUILDINGS GUIDANCE

6.1 Following the discussions at LDF Cabinet, Cabinet and Council it was decided that it would be helpful if planning guidance was produced on the implementation of the Council's planning policies relating to climate change. At a meeting between Council Members, officers and WinACC, in January 2011, it was agreed that a working party should be set up to develop such guidance. The guidance would help applicants for planning permission to progress to higher Code Levels. The guidance should address the costs of such changes and advise on the most cost-effective methods. The guidance should emphasise the energy hierarchy, with energy efficiency being addressed before energy generation. The guidance should consider off-setting arrangements. Although aimed at providing advice for applicants and developers, it was agreed that the development of this guidance would also provide useful input into the further evolution of the Core Strategy policy.

6.2 The working party consisted of officers from the Council, covering building regulations and planning, together with representatives from WinACC and local development interests. A number of meetings were held throughout the spring and summer of 2011, working towards the production of draft guidance. The advantages and disadvantages of various water and energy efficiency measures were discussed, including both their practical and financial feasibilities, prior to their inclusion in the document. The feasibility of achieving Code level 5 for water, as proposed in the Interim Policy Aspiration, was a particular area of concern.

6.3 Draft versions of the document were discussed by the working party and it was agreed that the document could be used as guidance to assist applicants in addressing the energy and water requirements expressed in the Interim Policy Aspirations. The document would not have the status of a Supplementary Planning Document as there was no statutorily adopted 'parent' planning policy for it to supplement at that time.

6.4 The group also considered that the document should be titled Sustainable Buildings Guidance to emphasise that it is not about all aspects of sustainability, or even renewable energy generation. It was considered that the Council's priority was to reduce carbon emissions and that the guidance should therefore reflect this.

6.5 The Sustainable Buildings Guidance for Planning Applications document was agreed by the LDF Cabinet in November 2011 (CAB2244(LDF) The document outlines various measures that can be employed to reduce energy and water use and the carbon emissions of developments. The guidance emphasises the

energy hierarchy approach, in that measures to reduce the energy and water demands of developments should be given priority over the means of generation of any energy required.

6.6 The guidance provides information on which measures may be practical for particular types of developments, together with an indication of costs including the financial incentives that may be available. The document makes it clear that the financial incentives and technical feasibilities are subject to change. Therefore the viability and the 'best' option is liable to change with the type of development and through time. The document also acknowledges that the optimum solution will vary on a case-by-case basis, due to factors such as the nature of the development proposed, its scale and its location.

6.7 The Sustainable Buildings Guidance discusses the evolving definition of zero carbon and highlights the timetable for the implementation of various levels of Code for Sustainable Homes and BREEAM. The document also examines the role of government policy and planning policy. The guidance considers issues relating to the development of allowable solutions and how Winchester's policy may develop in the Core Strategy and beyond.

7.0 PRE-SUBMISSION JOINT CORE STRATEGY POLICY

7.1 A Focus Group meeting was held on the emerging Core Strategy Carbon Reduction Policies on 8th October 2011, as one of several meetings held on particular key issues relating to the Core Strategy. The group consisted of the Sustainable Buildings Guidance working party together with further representatives from the development industry.

7.2 The Focus group meeting particularly considered the practical implications of the CfSH levels being sought in the proposed policies (Level 5 for energy and water – with provision for up to 30% off-setting). The points raised can be summarised as follows;

- Level 5 could be achievable for energy requirements
- Level 5 was considered un-achievable for water, not least due to customer resistance
- Energy requirements would be subject to allowance of 30% of regulated emissions to be dealt with by Allowable Solutions
- From 2016 the new national standard for Zero Carbon Homes should be imposed, rather than Code Level 6 as proposed in the Preferred Option
- The policy should refer only to the energy and water aspects of the Code in advance of 2016 in the interests of improving viability (by reducing the need for assessments)
- Supportive of the energy hierarchy approach suggested for the policy
- The policy must include the caveat that levels should be practical and viable

- There was no longer a need for the generation of a proportion of energy on-site by renewable means in CP12, if Code Level 5 is sought for energy under CP11

- Supportive of a general policy encouraging renewable and decentralised energy. It is important that this lists criteria that will be taken into account – this can include reference to any national, regional, or sub-regional targets.

7.3 Another Focus Group meeting was held on the issue of Water Resources and Flooding. The issue of policy requirements in relation to water efficiency was also raised at that meeting. Concerns were raised about both the viability and the technical practicality of achieving Code Level 5 or above for water use.

7.4 Following the Focus Group meetings and the publication of the Sustainable Buildings Guidance document revised Core Strategy policies were prepared for low carbon development and the promotion of renewable and decentralised energy.

8.0 POLICY CP11 – SUSTAINABLE LOW AND ZERO CARBON BUILT DEVELOPMENT

8.1 The final version of this policy is attached at Appendix 3. In summary it states the following:

- Developments should achieve the lowest level of carbon emissions and water consumption that is practical and viable.

- New residential development should achieve Level 5 for Energy and Level 4 for water aspects of CfSH.

- Allowable Solutions can be made for up to 30% of regulated emissions.

- From 2016 all housing should meet the national Zero Carbon Homes standards.

- Non-residential development to meet BREEAM ‘excellent’ immediately and ‘outstanding’ from 2016.

- The Policy lists an energy hierarchy that should be applied, using the ‘fabric-first’ principle

8.2 The changes to the policy from the Preferred Option policy reflect the advice from the Low Carbon Policy Viability Study, and concerns that have been raised in consultation and during the Working Party and Focus Group meetings. Specifically these have been addressed by the revisions described in the following paragraphs:

8.3 Allowing for up to 30% of regulated emissions to be accounted for via allowable solutions and the addition of the caveat that requirements must be practical and viable. This allows for greater flexibility as to how carbon emissions are dealt with, reflecting concerns that reduction of all emissions on-site up to Code Level 5 was unviable and impractical. It was also acknowledged that using

energy generation on-site to achieve Level 5, may not always be with the best solution in terms of reducing the carbon emissions of the development, because the methods used to generate energy may not be the most efficient or may even in themselves use additional carbon.

8.4 The policy now refers only to the reduction of regulated emissions. This is in-line with emerging national policy on Zero Carbon Homes, as proposed by the Zero Carbon Hub. This also makes developments more viable as it is less of a financial and practical burden on developers.

8.5 The policy now refers to the national standard of Zero Carbon Homes from 2016, rather than Code Level 6. This is expected to be set at a level which involves a reduction in requirements from the previous Code Level 6 standards, reflecting work that has been undertaken at a national level on the viability and deliverability of new housing at various Code Levels.

8.6 The policy now refers to Code Level 4 for water. This reflects concerns expressed by respondents and statutory undertakers that higher levels are unachievable and would be subject to customer resistance. Higher Levels of Code would require mechanical intervention and greywater or blackwater recycling which is both unpopular and difficult to achieve on some developments. The use of mechanical systems will also result in additional carbon emissions, which is contrary to the policy objective of reducing carbon emission.

8.7 The policy only refers to the energy and water aspects of the CfSH. Focus Group members, particularly those from the development industry, considered that additional aspects of the Code could add greatly to the costs of undertaking a development, but provided little additional benefits in terms of carbon emissions and water efficiency. As developers are required to provide SAP assessments and water calculations for the purposes of Building Regulations, it was considered that restricting the policy to these aspects would assist with viability, whilst still achieving the important goals of greater energy and water efficiency.

9.0 POLICY CP12 – RENEWABLE AND DECENTRALISED ENERGY

9.1 The final version of this policy is attached at Appendix 3. In summary CP12 states the following:

- The policy is supportive of the generation of renewable and decentralised energy
- The creation of CHP/district heating/cooling systems and large-scale renewable energy developments is supported
- The degree of community benefit and/or community ownership may be relevant and can be taken into account
- The Policy provides a list of criteria that will be taken into account when assessing new proposals

9.2 The changes to the policy from the Preferred Option policy reflect the concerns that were raised during the consultation and in the Low Carbon Viability Study. The policy no longer contains a target for on-site renewable energy generation, as the Viability Study considered that compliance with higher Code Levels under CP11 would deliver the 20% renewable energy generation (or a contribution by allowable solutions) by default.

9.3 The policy continues to support renewable and decentralised energy technologies however, the hierarchy proposed has been removed following concerns over its appropriateness. Criteria have been added to guide the assessment of proposals for renewable energy schemes.

10.0 **PRE-SUBMISSION – SUBMISSION**

10.1 Several representations were received on CP11 in relation to soundness issues. The main issues raised were;

- Whether there is sufficient justification for Winchester to have a local policy on this issue'
- Whether the requirements would make developments unviable (and in some instances whether they are practical to achieve)
- Whether the policy is in accordance with national policy – in that it exceeds national requirements as expressed in the building regulations.

10.2 The issue of soundness is addressed in section 11 below, however the representations also raised some matters of detail relating to the policy and as a result of this, a few minor changes were made to clarify the policy. These are outlined briefly below:

- Adding flexibility by substituting 'require' in the second sentence with '*expect'*
- Altering first bullet point to delete 'off-site or through a financial contribution' and replacing with '*by means of Allowable Solutions'*
- Amend second bullet point to read – '*in addition to the above* from 2016 onwards, all housing must meet *any higher* national standard for Zero Carbon Homes;'

10.3 Although several responses to CP11 also cited CP12, there were no comments that referred specifically to the wording of that policy in their representations. However, a minor amendment has been made to the first bullet point of CP12 to reflect comments from Natural England:

10.4 Replace 'environmentally sensitive locations, including' with 'areas designated for their local or national importance, such as Gaps and' (the SDNP). This reflects the form of wording used in other policies such as MTRA2 and MTRA3

11.0 **SOUNDNESS**

11.1 Notwithstanding the representations made, it is considered that policies CP11 and CP12 are compliant with the tests of soundness, particularly with the amendments for the Submitted Plan, as listed above. The reasons for the Council's views on these are considered in the following sections.

11.2 **Positively Prepared**

11.3 The strategy of the Local Plan Part 1 – Joint Core Strategy seeks to meet objectively assessed development and infrastructure requirements. Policies CP11 and CP12 are part of this process. The NPPF requires local plans to meet objectively assessed needs (paragraph 14) and the evidence studies and consultation leading to the Submitted Plan show that there is a need for planning policies to help reduce carbon emissions. CP11 has the aim of providing positive benefits for the District in terms of reducing its very large carbon footprint and promoting more efficient use of water resources in this 'water-stressed' area. This would have benefits by tackling climate change and in terms of the quality of the environment and the health and wellbeing of the District.

11.4 It is considered that the requirements of CP11 have been framed in such a way as not to prevent development from coming forward, by being flexible and taking account of the viability of developments. These issues are discussed in more detail in the relevant sections below.

11.5 CP12 is a positive policy that encourages the development of renewable and decentralised energy in the District. Development of such systems would contribute to renewable energy targets and reduce reliance on carbon-fuels in accordance with the aims of tackling climate change and promotion of a high quality environment and enhanced well being of the District as with Policy CP11.

11.6 **Justified**

11.7 The national policy framework is considered below. At regional level, early development of CP11 and CP12 drew heavily on the policies in the emerging – and subsequently adopted – South East Plan (SEP). The SEP stated that local authorities should have policies to reduce carbon dioxide emission to at least 25% below 1990 levels by 2015 and 80% by 2050. These reflect the figures in the Climate Change Act. The SEP contains various policies linked to the achievement of energy efficiency and water use.

11.8 Policy CC4 supports sustainable design and construction including allowance for 'where it could be appropriate for local planning authorities to anticipate levels of building sustainability in advance of those set out nationally'. Policy NRM1 allows for local authorities to 'identify any circumstances under which new development will need to be supported by water efficiency standards exceeding extant Building Regulations standards.' The SEP refers to national and EU targets for the generation of renewable energy and sets its own interim target (in advance of local authority targets being derived), of 10% of all energy

in large new developments to come from decentralised and renewable or low-carbon energy sources, under Policy NRM11.

11.9 NRM11 also requires planning authorities to encourage the use of low-carbon energy by setting 'ambitious but viable' energy supply targets and that they should 'actively promote' energy efficiency. NRM14 sets a sub-regional target of 122 MW renewable energy installation by 2016 for the Hampshire and Isle of Wight area. As the SEP remains extant at the time of writing, it is legitimate for the Core Strategy to respond to these requirements.

11.10 Following from the SEP, in the sub-regional area, PUSH has developed sustainability policies further. The PUSH area covers the south urban part of the District and Winchester is a partner in the PUSH group. PUSH seeks to guide development in a sustainable fashion in a part of the country where there is considerable pressure for development and large amounts of new developments are proposed with or without the SEP.

11.11 PUSH has developed and adopted a Sustainability Framework. This proposes that planning authorities adopt policies that seek levels of CfSH and BREEAM levels higher than those in force nationally in accordance with a specified timeframe. It also proposes that authorities should include a target for renewable energy generation that will contribute to the overall PUSH target. These requirements are outlined in paragraphs 4.15 and 4.16 of this paper. In relation to the PUSH Sustainability Framework, several authorities in the PUSH area have developed detailed requirements in their DPDs. Of note is that New Forest District Council, Southampton City Council and Fareham Borough Council have all adopted the requirements for CfSH 4/BREEAM Excellent from 2012 and Level 6/Excellent from 2016 in their Core Strategies (October 2009, Jan 2010 and Aug 2011 respectively).

11.12 It is recognised that the government intends to abolish regional strategies including the SEP in the near future. However, the PUSH group will continue to exist and Winchester will continue to be part of PUSH for the foreseeable future in the spirit of co-operation with neighbouring authorities.

11.13 Given the Climate Change Act targets and other government initiatives, the statutory SEP background and the sub-regional PUSH Framework (as discussed further in Section 4 of this paper), it is considered that there is considerable external justification for the development of robust energy and water efficiency policies. Indeed, without these the Council could be criticised for failing to respond adequately to government and regional policy.

11.14 Although it is intended that the SEP be abolished and the government has recently reduced expected changes to the building regulations proposed for 2013, the targets in the Climate Change Act still remain, the PUSH targets are still locally agreed aims and the government still intends to introduce a Zero Carbon Homes standard in 2016. At the time of writing the SEP still also exists. It is therefore considered that these external policy requirements still apply for policies CP11 and CP12.

11.15 Further justification for a local requirement stems from the exceptionally high levels of carbon emissions in the District. These are above both the national and south – east averages as described in 3.5 of this paper. This local problem was reflected in the Council's SCS and its further expression in the Tackling Climate Change Plan, which identified outcomes in relation to climate change (see 3.10 – 3.12 for more details). This strong corporate steer was reflected in the Action Plan which identified a series of actions that the Council and other stakeholders should undertake to tackle climate change. The development of LDF policies on sustainable buildings and renewable energy were among the actions identified. The setting up of the WDSP to implement all the aims of the SCS and the creation of WinACC are further indications of the importance placed locally on reducing the very high levels of carbon emissions in the area.

11.16 Policies CP11 and CP12 are considered justified as they reflect an issue of local importance. As described in preceding sections of this paper, early frontloading exercises identified climate change as one of the major issues of concern in the District. The Consultation on the Issues and the Preferred Option documents also indicated general support for the Council's approach. There were concerns regarding the costs of additional energy efficiency requirements on developments and the Low Carbon Policy Viability Study and subsequent changes to the policy addressed these concerns. Accordingly, the final version of CP11 allows for offsetting arrangements and has reduced the overall Code levels required. CP11 also builds in the need for requirements to be practical and viable.

11.17 Policies CP11 and CP12 are considered justified as they are the result of careful consideration of alternatives and reflect the evidence base work undertaken. The Issues and Options document was produced following evidence gathered during the initial frontloading Live for the Future consultation and provided a choice of two broad strategic options for a number of elements of climate change (see 3.18 of this paper). The results of consultation on the Issues and Options, together with the emerging evidence base were analysed in great detail in CAB 1743 (LDF). The advantages and disadvantages of various alternatives were considered – including the sustainability appraisal of the alternatives - before coming to a recommendation as to a preferred approach.

11.18 Following the Preferred Option document consultation and concerns raised regarding the requirements of the policies, further evidence work was undertaken (Low Carbon Policy Viability Study) and the policies were again refined. Final refinements of the policies were undertaken following the Pre-Submission consultation, as described in Section 10 above. It is therefore considered that alternatives have been carefully considered at each stage of the policy preparation and comments been taken into account as appropriate.

11.19 The Renewable Energy Study (Dec 2009) and the Low Carbon Policy Viability Study (Feb 2010) provide much of the evidence base for policies CP11 and CP12. The Low Carbon Policy Viability Study was undertaken by consultants Element Energy and finalised in February 2010. Element Energy co-authored the Communities and Local Government update on costs of building to Code for Sustainable Homes with Davis Langdon in August 2011, which undertook a

similar approach to the Winchester study. It is considered that the viability work therefore represents up-to-date evidence which is realistic and from a respected source.

11.20 The Sustainability Appraisal also forms part of the evidence base and provides further justification for the policies in several ways. Firstly, the initial scoping identified climate change as a key issue. Secondly, water efficiency and the promotion of sustainable construction and sustainable building standards (amongst other sustainability elements) form part of the objectives in the sustainability framework. Thirdly, the sustainability appraisal of policies at Issues and Options, Preferred Options, Pre-submission and Submission version stages has assisted in the development of the policies. The SA process has ensured that polices sufficiently address sustainability issues and therefore contributed to their soundness. Other sections of this background paper describe the findings of the SA in more detail (3.13-3.14) and the SA comments on each version of the policies are included in the Cabinet reports that analyse the consultation responses at the relevant stages.

11.21 **Effective – deliverable**

11.22 Policies CP11 and CP12 will be effective in that they will deliver the aims of the objectives of the Local Plan Part 1 – Core Strategy. There is a clear link from the objectives of the Community Strategy to the spatial planning objectives of the Core Strategy, to the policies. The Schedule of Modifications outlines the key delivery policies for each spatial planning objective. The relevant spatial planning objectives for CP11 and CP12 that follow the Community Strategy outcomes are –

> Prosperous Economy –
>
> Encourage the development and adoption of energy efficiency and renewable energy technologies and enable their take-up by new and existing businesses, through the creation and promotion of a low carbon economy.
>
> High Quality Environment –
>
> Mitigate against the impacts of, and adapt to the effects of, climate change through promoting lifestyles and businesses which are sustainable for the environment and maximising the use of technologies that are available to reduce waste and carbon emissions

11.23 The SA shows that the policies will deliver the aims of the SCS by achieving carbon savings and increases in renewable and decentralised energy. It states in para 8.68 that CP11 'will be instrumental in meeting the Government's targets relating to climate change and the impact of new development'. (link SA Pre-Submission, Dec 2011) Referring to CP12, the SA concludes that 'Overall, the policy strongly supports objectives for climate change and sustainable use of resources' (para 8.71) The SA highlights that changes made to CP11 in the Pre-Submission version have improved the clarity and sustainability of the policy (para 8.70).

11.24 In relation to CP12, the SA concluded that:

> 'There are clearly identified strong positive effects for climate change, pollution and health, which are likely to be medium to long term and cumulative. Overall, the policy strongly supports objectives for climate change and sustainable use of resources' (para 8.71)

11.25 No objections have been raised in respect of CP12 and this policy is therefore considered sound and not discussed further in any detail in this paper

11.26 The Low Carbon Policy Viability Study showed that amendments to the Preferred Options policy to allow for offsetting would greatly assist the deliverability of schemes, whilst still achieving the policy objectives of energy and water savings. The final version of CP11 is less onerous than all the options that the Study considered, as it only refers to regulated emissions in terms of energy and Code Level 4 with respect to water, so would have an even greater chance of being delivered.

11.27 The final version of policy CP11, which allows for up to 30% of regulated emissions to be dealt with by means of Allowable Solutions, assists with both the viability and the practical achievement of the energy element of CfSH Level 5. This is particularly so on smaller sites, where it less likely that developments can benefit from district heating, CHP or other measures where economies of scale would have an effect.

11.28 The viability of the proposed policies is an important consideration and is the main concern of objections to the policies. The technical studies provide evidence that the levels proposed in the policies as finally worded will be viable.

11.29 The Low Carbon Policy Viability Study analysed the costs of compliance with the emerging policies on energy and water efficiency and renewable/decentralised energy (CP13 and CP14 of the Preferred Options at the time of the Study). The Study carefully considered the effects of the requirements of these policies on a variety of development scenarios – small infill, urban infill, small brownfield, small urban extension and large urban extension. The same consultants subsequently used this methodology in their report for the CLG on 'The Cost of Building to the Code for Sustainable Homes' in August 2011.

11.30 The Low Carbon Policy Viability Study showed that policies requiring new development to achieve high levels of CfSH would achieve carbon savings. The amount of savings would increase as the Code Levels increased. The Study considered the Preferred Options policies and noted that the extra-over costs of compliance above Building Regulations levels, would also increase – considerably - in order to comply with Level 5 Energy and Water, even more so after 2016 to be Code 6. The Study considered that the levels of extra-over costs could be so high as to effect viability, so a balance between maximising carbon savings and viability would need to be reached.

11.31 The Study therefore assessed a number of policy options that would assist with achieving both viability and carbon savings (see para 5.6 etc of this paper for

more details and Appendix 4 for a summary of the options considered). Firstly, they assumed in all the options, that 70% of regulated emissions would be eliminated on-site. This had recently been announced by the government as the likely basis for the Zero Carbon Home standard. This measure in itself would greatly assist in viability. The Study then considered the effects of requiring different Code Levels for energy at different times and different Code Levels in respect of water, at different times. The Study illustrates the results that these variables would have in a number of possible combinations. It should be noted that only the costs of compliance identified from 2013 are likely to be relevant as the Core Strategy will not be adopted until early 2013.

11.32 The emerging carbon reduction policy was altered to reflect the findings of the Low Carbon Viability Study. The final policy CP11 now only requires that 70% of regulated emissions be eliminated on-site, carbon compliance, with the rest (of regulated emissions) being allowed as Allowable Solutions. Only the energy element of Code Level 5 and the water element of Code Level 4 will be required up until 2016. Furthermore, following recent government announcements on definitions of carbon compliance, un-regulated emissions will not be taken into account at all.

11.33 The viability of developments to deliver affordable housing, sustainability requirements, and provide a surplus available for a CIL charge has been considered in the recent Viability Report Update 2012, completed by Adams Integra. The 2012 Viability Study used the extra-over costs contained within the CLG 'Cost of Building to the Code etc' of August 2011. That document was prepared by Element Energy, who also prepared the Council's Low Carbon Viability Study in 2010. The 2012 Study reinforces the viability of Policy CP11, as it took the Code Levels (5 for energy and 4 for water) of CP11 as a basic assumption when under taking viability scenarios. The Study concluded that – in general – there would be sufficient financial capacity to allow for the provision of affordable housing as well as some surplus for CIL – taking account of the code levels required in CP11.

11.34 The Study raised concerns over the viability of smaller sites in the area of Whiteley and Waterlooville, particularly at low densities, due to the relatively low land values in the area. The higher build costs associated with Code Levels 5 for energy and Level 4 for water were noted as a factor. However, the Study makes it clear that the current economic downturn is also having an effect and that viability should improve with general improvement in the economy and the housebuilding market. The Study recommended that the Council be aware of potential viability issues in particular circumstances. In these circumstances viability evidence should be considered on a site-specific basis. .

11.35 CP11 sets the overall policy expectation, however, it is appreciated that there may be individual schemes where it is not practical/viable to achieve this. This is normal in a strategic–level document and the approach taken is similar to that for affordable housing and open space contributions, for example, where the policy allows a solution to be negotiated in these circumstances. The evidence suggests the requirements are normally achievable and the fact that there may be occasional exceptions to this should not form a basis for

weakening the policy expectation, when all the evidence suggests it is necessary and justified.

11.36 **Effective – flexible.**

11.37 The aims of Policy CP11 can be achieved in a number of ways, as outlined in the policy. The policy is flexible in allowing for up to 30% of regulated emissions to be dealt with by means of allowable solutions to achieve the Code Level 5 for energy. The types of allowable solutions permitted are also flexible. The explanatory text provides examples, but this is not a comprehensive or inflexible list. A combination of measures may be proposed. Additionally, if physical measures on or off-site are not appropriate, a financial contribution to off-site measures (such as retro-improvements to nearby sites) or to a low carbon buy-out fund, can also be offered. It is therefore considered that compliance with Policy CP11 can be achieved in a variety of ways.

11.38 A further element of CP11 in regard to flexibility is that all of its requirements are predicated on them being 'practical and viable'. In this way flexibility and viability are incorporated in the policy. The 2012 Viability Update concluded that – in parts of the District, or for certain types of development where viability may be an issue - flexibility should be sought. That Study suggested that in specific schemes it may be necessary to negotiate lower levels of affordable housing could be provided, but lower Code requirements could equally be sought and Policy CP11 provides for such flexibility.

11.39 The very nature of CP12 makes it flexible, as it is a positive policy encouraging the development of renewable/de-centralised energy installations. CP12 does not favour a particular type of technology. The policy was amended from the earlier Preferred Option CP14, which required developments to provide a certain percentage of renewable energy on-site. The final policy does not have any such requirement as it is considered that compliance with CP11 would achieve the targets of the earlier Preferred Option CP14 by default, but in a more flexible way, as renewable energy would not necessarily be on-site or could be offset by allowable solutions. A further requirement for renewable/decentralised energy in CP12 would therefore be unnecessary.

11.40 **Effective – monitorable**

11.41 The monitoring framework (as amended by the Schedule of Modifications) at Appendix 2 of the Local Plan Part 1, describes how all the Plan policies will be monitored. CP11 can be monitored by checking compliance with the Code Levels of the policy at the planning application stage, or via building regulations records. The types of allowable solutions proposed and the amounts of any monies paid to a low carbon buyout fund can be tracked via obligations/CIL monitoring. Policy CP11 does not include specific targets for reducing carbon emissions, as it is only one of several measures that will be used to achieve the SCS targets on this. This target will be monitored through the process of monitoring the SCS.

11.42 CP12 can be monitored by recording the details of planning applications for renewable/low carbon energy schemes. This could include types of scheme

and planned capacity. This information would be used to assess the contribution being made to renewable energy targets at the regional or PUSH level.

11.43 **National policy**

11.44 The early development of policies CP11 and CP12 was heavily influenced by the presence of national and regional planning policies on climate change. This comprised PPS1 Annex, PPS22, the South East Plan, the Climate Change Act and consequential actions such as the Code for Sustainable Homes and the Zero Carbon Hub. This background is described in more detail in paragraphs 3.3 - 3.4 and 4.9 of this paper.

11.45 The NPPF was published in March 2012 and cancelled the relevant PPSs and the Annex to PPS1. In addition, it is planned that Regional Strategies (including the SEP) will be revoked. Policies CP11 and CP12 must therefore now be considered in the light of the NPPF.

11.46 The NPPF states that sustainable development is a golden thread running through planning policy. CP11 and CP12 reflect the aims of sustainable development, achieving carbon savings and encouraging the development of renewable energy. They performed positively in the Council's Sustainability Appraisal, particularly now that CP11 has been amended to emphasise the economic deliverability of proposals and has been subject to further viability testing by way of the Viability Report Update 2012, these indicate that the Policy will not act as a brake on development.

11.47 Section 10 of the NPPF specifically deals with climate change. This section is encouraging of planning's role in tackling climate change. Paragraph 93 refers to the 'key role in helping shape places to secure radical reductions in greenhouse gas emissions…and supporting the delivery of renewable energy and low carbon energy and associated infrastructure.' Paragraph 94 of the NPPF states that authorities should adopt 'proactive strategies to mitigate and adapt to climate change' in line with the aims and objectives of the Climate Change Act 2008. The references to 'radical reductions' and 'proactive strategies' are important and imply something more positive than simply relying on changes to the Building Regulations. The reference to 'radical reductions' in greenhouse gas emissions reflects the wording of the Climate Change Act and can therefore be considered not as an optional suggestion, but as a requirement to be acted upon where practical and viable. CP11 and CP12 are in accordance with this, taking positive steps to address carbon emissions (CP11) and encourage renewable/decentralised energy generation (CP12) at the local level.

11.48 NPPF paragraph 95 outlines national policy in relation to moving to a low carbon future. The first bullet point of paragraph 95 refers to the location and forms of new development proposed across the District throughout the plan period. This issue is covered in the overall strategy for the Winchester Local Plan Part 1. The second bullet point refers to actively supporting energy efficiency improvements to existing buildings. The allowable solutions

permitted under Policy CP11 include improvements to existing buildings where appropriate.

11.49 The third bullet point of paragraph 95 of the NPPF states that local requirements for a building's sustainability should be set in a way 'consistent with the Government's zero carbon buildings policy and adopt nationally described standards'. It also states '*when* setting any local requirements' not '*if*', implying an expectation that these should be set. By allowing for up to 30% of regulated emissions to be offset by allowable solutions, CP11 reflects precisely the government's current position on carbon compliance. CP11 states that from 2016, new developments should comply with the Government's zero carbon homes policy.

11.50 CP11 utilises Levels of the Code for Sustainable Homes, which is a nationally described standard. It is of note that the previous Supplement to PPS1 also talked of nationally described standards and specifically referred to the Code for Sustainable Homes as an example of this. The Supplement also stated that where it was not considered appropriate to specify a whole Code level, requirements could be stipulated only in relation to the energy standard at a particular level of Code. The wording and interpretation of the NPPF in this respect are, therefore, taken to be an abbreviated version of PPS1 Annex. CP11 only refers to the energy and water elements of Code Level 5, following considerations of viability and discussions with developers. It is considered that the energy and water aspects of the Code represent recognisable national standards that applicants would be familiar with.

11.51 Policy CP11 specifically refers to the feasibility and viability of new developments. This can be taken into account when considering applications, as required by paragraph 96 of the NPPF.

11.52 Paragraph 97 of the NPPF encourages the use and supply of renewable and low carbon energy. It is considered that CP12 represents the 'positive strategy to promote energy from renewable and low carbon sources' required by the first bullet point of paragraph 97. CP12 encourages development of renewable and decentralised energy whilst taking into account adverse impacts. This includes landscape and visual impacts. CP12 refers for the need for particular care to be taken in environmentally sensitive locations and lists the South Downs National Park, statutorily designated areas for nature, conservation areas and heritage assets.

11.53 Bullet point three of paragraph 97 of the NPPF states that local planning authorities should consider identifying suitable areas for renewable and low carbon energy sources. Bullet point five states that opportunities should be identified where developments can draw their energy supply from decentralised, renewable or low carbon supply systems and the potential for co-location of customers and suppliers.

11.54 The ESD Renewable Energy Study 2008, considered the opportunities for renewable energy generation in the Winchester District. The energy source with the most potential was considered to be large-scale wind power, but some of the best locations for this are now within the South Downs National Park,

where there are considerable environmental constraints. The other major technology was biomass, with some potential for woodchip. The technology and supply sources for these fuels are still developing. In the circumstances, the Council considers that it will not be helpful to identify suitable areas for renewable and low carbon energy sources at this time. It is considered that CP12 has sufficient criteria that can be used in the consideration of applications when they arise and, should further guidance be needed, this can be incorporated into Local Plan Part 2.

11.55 CP12 also particularly supports proposals for renewable energy where they have a strong degree of community benefit and/or community ownership, in accordance with bullet point 4 of NPPF paragraph 97.

11.56 CP12 provides for the assessment of proximity to fuel sources and transport links, connections to the electricity network, and the potential to integrate with existing development when considering proposals for renewable and decentralised energy schemes, in accordance with bullet point 5 of NPPF paragraph 97. The issue of co-location of potential customers and suppliers is currently difficult due to the lack of a developed industry in this field, however the NPPF, CP11 and CP12 allow for its consideration as systems develop.

12.0 FURTHER WORK

12.1 Further work is being undertaken to facilitate the implementation of these policies. A consultant has developed guidance to help applicants demonstrate how they have met the expectations of CP11 when submitting proposals for consideration and is investigating appropriate methods for calculating off-setting requirements. This includes the setting of an appropriate price for carbon. There is no universally agreed formula for calculating this at present and this is a factor that the Council will have to take a view on following further investigation of available evidence. There are also several methods that could be employed to calculate the amount of off-setting required, which can vary depending on the timeframe considered and the examples used for baseline work. Work is still therefore also continuing on this issue

12.2 The Council is also developing its draft Community Infrastructure Levy proposals. The approach that will be taken to contributions to address climate change forms part of the consideration. The Council will need to consider whether a Low Carbon Buy Out Fund should be developed, or some other agreed method for utilising contributions secured as part of any 'Allowable Solutions'. Additionally, it will consider whether an agreed list of allowable solutions, or local carbon reduction projects, needs to be produced.

12.3 WinACC has commissioned a study to further investigate the potential for renewable energy generation in the District. The study considers the potential for different forms of renewable energy and presents a number of options for the development of renewable energy in the District, including possible strategies and sites. The study follows the DECC renewable and low-carbon capacity assessment methodology. The study provides useful information for considering areas for future development, particularly for the implementation of CP12, although it should also prove useful for the energy hierarchy and for the

allowable solutions element of CP11. Any site specific proposals would be taken forward as part of the Local Plan Part 2.

12.4 The preceding paragraphs show that there are elements of the detailed implementation of CP11 and CP12 that are subject to further work. The results of the WinACC study are still to be considered and the area of carbon pricing is an evolving issue at the national level, as discussions over the draft Energy Bill (May 2012) and the Government's Green Deal proposals continue. However, this does not affect the soundness of the principles and detail of CP11 and CP12 as a whole, as they provide the strategic framework within which further detail can be developed.

13.0 CONCLUSION

13.1 This paper has outlined the evolution of Policies CP11 and CP12 from the early identification of issues through to the final submission policies. The final sections of this paper have considered the detailed aspects of the soundness of the final policies. Lastly, the paper identifies areas of further work. The area of climate change policy and carbon reduction is subject to ongoing change which the further work described above is intended take account of.

13.2 Policies Policies CP11 and CP12 were developed following careful consideration of the important issues affecting the District at the frontloading stage. These were both identified by, and tested by, the sustainability appraisal and public and stakeholder consultation processes. Council priorities reflect this concern through the Climate Change Plan and SCS and it is appropriate for the Local Plan to continue this through planning policy. CP11 and CP12 are based on government policy as expressed through measures such as the Climate Change Act and the Zero Carbon New Homes policy and developed further at local levels via the South East Plan and the in the PUSH Sub-region. CP11 and CP12 have evolved throughout the development of the Local Plan as a result of the changing national context and also to reflect concerns raised via consultation relating to practicality and viability. It is considered that the final forms of these policies represent a carefully considered and robust framework for addressing the carbon impacts of developments in terms of planning policies.

13.3 Policies CP11 and CP12 set the strategic framework and expectations and are based on sound evidence, justification and conformity with government policy. They are therefore sound as submitted, as demonstrated above. The areas of future work outlined above are concerned with the implementation of policies CP11 and CP12, not with their soundness as Local Plan Part 1 policies.

APPENDIX ONE:

CLIMATE CHANGE OPTIONS

(extract from Issues and Options document December 2007)

Option : 1 Meet Minimum Requirements	Option 2 : More Ambitious Option
Meet proposed targets for carbon reduction within the District (26%-32% by 2020), which may change over time.	Set more challenging targets for carbon reduction within the District, e.g. 35%-40%, with tougher standards to ensure targets are met, including the measures below.
Adopt national Code for Sustainable Homes Level 6 by 2016 and meet South East Plan requirements.	Adopt the PUSH targets (or higher) for the whole District: Level 3/BREEAM 'Very Good' from now. Level 4/BREEAM 'Excellent' from 2012. Level 6/BREEAM 'Excellent' from 2016.
Require that 10% of energy used in new development (schemes of 10+ houses or 1000+sq m of commercial floorspace) is produced on-site or from local renewable/sustainable sources.	Require that a higher proportion (e.g. 20%) of energy is produced on-site or from local renewable/sustainable sources. This would apply to all new development, either by on-site generation (schemes of 5+ dwellings or 500+sq m of commercial floorspace) or a financial contribution from smaller schemes to support renewable/sustainable energy production schemes in the District.
Waste management, recycling and composting schemes developed in accordance with the Hampshire Minerals and Waste Core Planning Strategy's policies. New development to allow for the segregation, storage and collection of recyclable materials, green waste and residual waste, with more locally-based recycling, composting, etc infrastructure.	Exceed the requirements of the Hampshire Minerals and Waste Core Planning Strategy, with increased emphasis on waste reduction, requirements to recycle demolition/ construction waste on-site, and local biomass plants to improve recycling and produce energy from waste and locally-grown wood coppice.
Adopt national standards for water efficiency (Code for Sustainable Homes/BREEAM), sustainable drainage and flood protection.	Adopt PUSH targets (see above), with more emphasis on measures such as green roofs and higher standards of flood protection.

APPENDIX TWO:

PREFERRED OPTION POLICIES

(extract from Preferred Option document May 2009)

Policy CP13 Sustainable Low and Zero Carbon Built Development

The City Council will require development proposals to demonstrate how they will contribute to the reduction of carbon dioxide emissions and the generation of renewable energy in the District. Specifically, the Council will require:

New residential developments to achieve Level 3 of the Code for Sustainable Homes (CSH) from adoption of this Plan, except for the energy and water aspects of the Code, where Level 5 standards will be required. From 2016 onwards, all housing must meet all aspects of Level 6 of the CSH; and

Non-residential development that requires an Energy Performance Certificate to meet 'BREEAM Excellent' standard from adoption of this Plan and 'BREEAM Outstanding' standards from 2012, or the equivalent standards from the 'Code for Sustainable Buildings' when it is launched.

In meeting these requirements developments will be expected to:

Be designed to maximise energy efficiency and design out the need for energy use by ensuring the building envelope meets the highest standards of energy performance;

Be designed to cope with expected changes in the local climate over the lifetime of the development;

Reduce operational waste and enable segregation and recycling.

Policy CP14 Renewable and Decentralised Energy

In addition to the above, the following hierarchy will be applied to the use of renewable and decentralised energy systems (in order of preference). The highest level that is suitable and viable for the development (or an appropriate combination) should be implemented:

Connect to combined heat and power (CHP) and District Heating/Cooling networks, with larger schemes (1000 dwellings or more) designed to use District Heating / Cooling networks and provide/contribute to these networks where they do not yet exist.

Generate at least 20% of their anticipated energy demand on-site.

Use off-site generation to meet emissions reduction targets as long as the off-site generation is additional capacity.

If none of the above is possible, contribute to the District Carbon Reduction Fund.

The City Council is supportive of the generation of renewable and decentralised energy in the District. Specifically, it will:

Support the creation of CHP/district heating/cooling systems and require that the potential for these should be considered before microgeneration technologies;

Require that larger-scale renewable energy developments provide a strong degree of community benefit and/or community ownership.

APPENDIX THREE:

PRE-SUBMISSION OPTION POLICIES

(extract from Pre-Submission document January 2012)

Policy CP11 Sustainable Low and Zero Carbon Built Development

Developments should achieve the lowest level of carbon emissions and water consumption which is practical and viable. Specifically, the Local Planning Authority will require:

- **new residential developments to achieve Level 5 of the Energy aspect of the Code for Sustainable Homes (CSH) and Level 4 for the water aspect of the CSH from adoption of this Plan. It will allow for up to 30% of regulated emissions to be provided off-site or through a financial contribution;**

- **From 2016 onwards, all housing must meet the national standard for Zero Carbon Homes ; and**

- **non-residential development that requires an Energy Performance Certificate to meet 'BREEAM Excellent' standard from adoption of this Plan and 'BREEAM Outstanding' standards from 2016.**

In meeting these requirements developments should follow the hierarchy below, except where it can be demonstrated that it would be more practical and achieve greater carbon reductions, to utilise measures further down the hierarchy:

- **be designed to maximise energy efficiency and design out the need for energy use by means of the scheme layout and the orientation and design of individual buildings, making full use of passive heating and cooling systems as far as is practical;**

- **connect to existing combined heat and power (CHP) and District Heating/Cooling networks, or contribute to their future development;**

- **use renewable energy technologies to produce required energy on-site**
- **make use of Allowable Solutions to deal with any remaining CO2 emissions up to the relevant Code for Sustainable Homes/Zero Carbon Homes level.**

Policy CP12 Renewable and Decentralised Energy

The Local Planning authority is supportive of the generation of renewable and decentralised energy in the District. It will support the creation of CHP/district heating/cooling systems and the development of larger-scale renewable energy developments, especially where there is a strong degree of community benefit and/or community ownership. When assessing proposals for large-scale renewable energy and decentralised energy schemes, account will be taken of:

- **Impact on environmentally sensitive locations, including the South Downs National Park, conservation areas and heritage assets, including their setting;**
- **Contribution to national, regional & sub-regional renewable energy targets and CO2 savings;**
- **Potential to integrate with new or existing development, whilst avoiding harm to existing development and communities;**
- **Benefits to host communities and opportunities for environmental enhancement;**
- **Proximity to biomass plants, fuel sources and transport links;**
- **Connection to the electricity network;**
- **Effect on the landscape and surrounding location.**

APPENDIX FOUR:

LOW CARBON POLICY OPTIONS

(Table 2 from Low Carbon Viability Study [Element Energy] Feb 2010)

Policy Option	**Level of CO2 reduction to be delivered on-site (% Regulated emissions)**	**Requirement to offset remaining emissions (investment in Fund)**	**Water Consumption standard (Code Level)**	**Overall Code Level Required**
1	70%	All remaining emissions	5	3 (pre-2016) 6 (post-2016)
2	70%	All remaining emissions	3 (pre-2016) 5 (post-2016)	3 (pre-2016) 6 (post-2016)
3	70%	Pre-2013 – No offset required Post-2013 – All remaining emissions	5	3 (pre-2016) 6 (post-2016)
4	70%	Pre-2013 – No offset required Post-2013 – All remaining emissions	3 (pre-2016) 5 (post-2016)	3 (pre-2013) 4 (2013-2016) 6 (post-2016)

Figure 2, Summary of the key standards to be required in potential revisions to policy CP13 of the Winchester Core Strategy. Each policy is composed of four components (i) a % reduction of regulated CO_2 emissions through onsite measures, (ii) a requirement to offset residual emissions through investment in an offset fund, (iii) a water consumption standard (expressed as a requirement to meet a certain standard of the Code for Sustainable Homes) and (iv) an overall Code Level requirement.