

Economy and Environment Policy Committee

Agenda

Members of the Economy and Environment Policy Committee:

Cllr J Knight (Chairman)
Cllr Y Bendle
Cllr F Curson
Cllr K Hurn
Cllr I Spratt

Cllr J Overton (Vice Chairman)
Cllr C Brown
Cllr G Francis
Cllr R Savage

Date & Time:

Friday 1 July 2022
2.00pm

Place:

Council Chamber, South Norfolk House, Cornet Court, Long Stratton, Norwich, NR15 2XE

Contact:

Jessica Hammond tel (01509) 505298
Email: committee@southnorfolkandbroadland.gov.uk
Website: www.southnorfolkandbroadland.gov.uk

PUBLIC ATTENDANCE:

If a member of the public would like to observe the meeting, or speak on an agenda item, please email your request to committee.snc@southnorfolkandbroadland.gov.uk, no later than 5.00pm on Tuesday 28 June 2022.

Large print version can be made available

If you have any special requirements in order to attend this meeting, please let us know in advance.

AGENDA

1. To report apologies for absence and to identify substitute members;
2. Any items of business which the Chairman decides should be considered as a matter of urgency pursuant to section 100B(4)(b) of the Local Government Act, 1972. Urgent business may only be taken if, “by reason of special circumstances” (which will be recorded in the minutes), the Chairman of the meeting is of the opinion that the item should be considered as a matter of urgency;
3. To receive Declarations of Interest from Members;
(Please see guidance form and flow chart attached – page 3)
4. To confirm the minutes of the meeting of the Economy and Environment Policy Committee held on Friday 22 April 2012;
(attached – page 5)
5. What is being done, in planning terms, and what could be done to mandate the installation of lower carbon and higher sustainability measures into new housing development?;
(report attached – page 10)

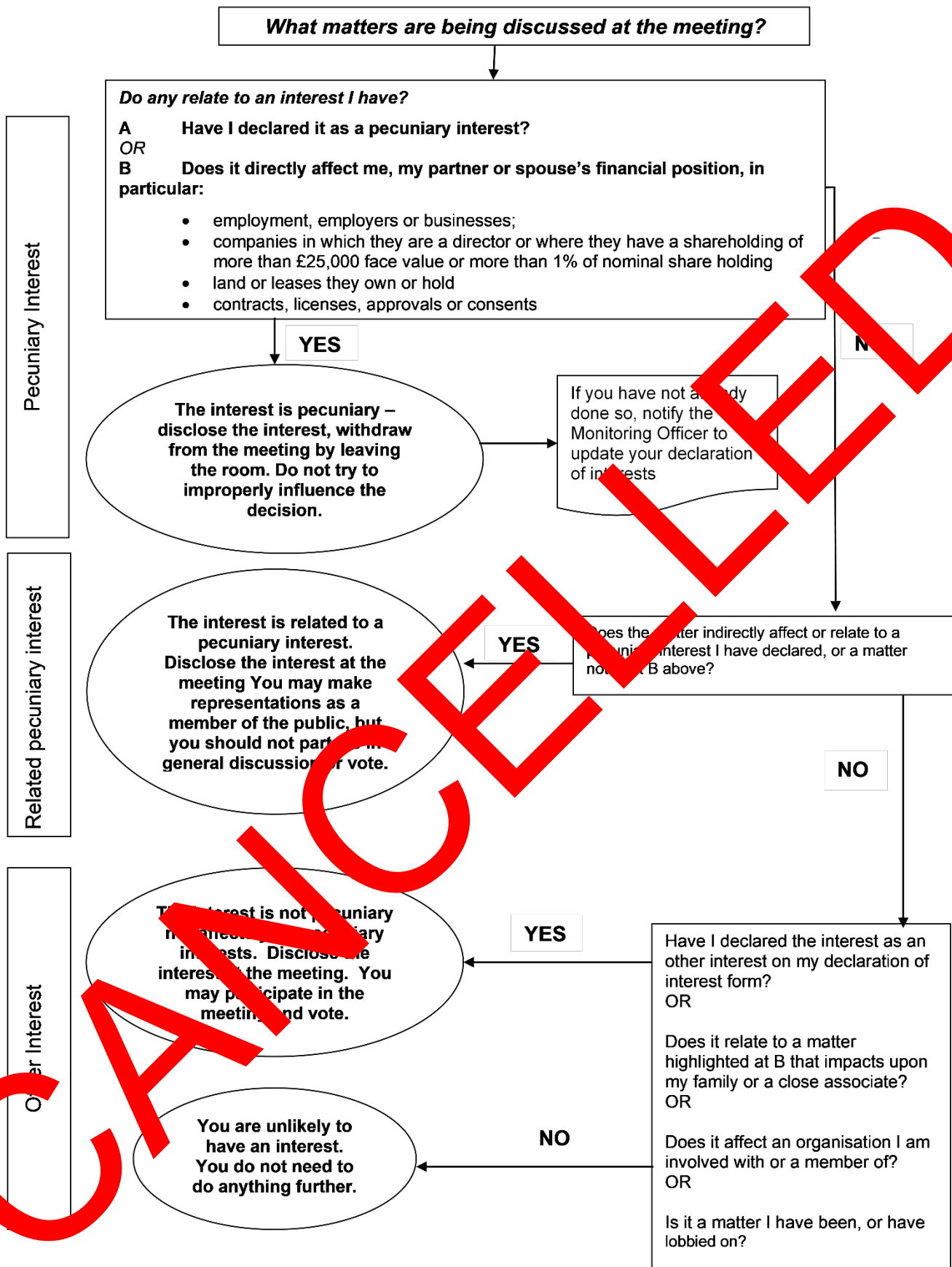
DECLARATIONS OF INTEREST AT MEETINGS

When declaring an interest at a meeting Members are asked to indicate whether their interest in the matter is pecuniary, or if the matter relates to, or affects a pecuniary interest they have, or if it is another type of interest. Members are required to identify the nature of the interest and the agenda item to which it relates. In the case of other interests, the member may speak and vote. If it is a pecuniary interest, the member must withdraw from the meeting when it is discussed. If it affects or relates to a pecuniary interest the member has, they have the right to make representations to the meeting as a member of the public but must then withdraw from the meeting. Members are also requested when appropriate to make any declarations under the Code of Practice on Planning and Judicial matters.

Have you declared the interest in the register of interests as a pecuniary interest? If Yes you will need to withdraw from the room when it is discussed.
Does the interest directly: 1. affect yours, or your spouse / partner's financial position? 2. relate to the determining of any approval, consent, licence, permission or registration in relation to you or your spouse / partner? 3. Relate to a contract you, or your spouse / partner have with the Council 4. Affect land you or your spouse / partner own 5. Affect a company that you or your partner own or have a shareholding in If the answer is "yes" to any of the above, it is likely to be pecuniary. Please refer to the guidance given on declaring pecuniary interests in the register of interest forms. If you have a pecuniary interest, you will need to inform the meeting and then withdraw from the room when it is discussed. If it has not been previously declared, you will also need to notify the Monitoring Officer within 28 days.
Does the interest indirectly affect or relate any pecuniary interest you have already declared, or an interest you have identified at 1-5 above? If yes, you need to inform the meeting. When it is discussed, you will have the right to make representations to the meeting as a member of the public, but you should not partake in general discussion or vote.
Is the interest not related to any of the above? If so, it is likely to be an other interest. You will need to declare the interest, but may participate in discussion and voting on the item.
Have you made any statements or undertaken any actions that would indicate that you have a closed mind on a matter under discussion? If so, you may be predetermined on the issue; you will need to inform the meeting, and when it is discussed, you will have the right to make representations to the meeting as a member of the public, but must then withdraw from the meeting.

**FOR GUIDANCE REFER TO THE FLOWCHART OVERLEAF.
PLEASE REFER ANY QUERIES TO THE MONITORING OFFICER IN THE FIRST
INSTANCE**

DECLARING INTERESTS FLOWCHART – QUESTIONS TO ASK YOURSELF



Agenda Item: 4

ECONOMY AND ENVIRONMENT POLICY COMMITTEE

Minutes of a meeting of the Economy and Environment Policy Committee of South Norfolk District Council, held on Friday 22 April 2022 at 7pm.

Committee Members Present: Councillors: J Knight (Chairman), C Brown, P Elmer, K Hurn and R Savage

Apologies: Councillors: F Curson, G Francis, J Overton and S Nuri-Nixon

Substitute: Councillor: N Legg (for G Francis)

Officers in Attendance: The Assistant Director of Regulatory (N Howard), the Assistant Director of Economic Growth (G Denton), the Economic Growth Programme Manager (D Baillie-Murden), the National Management Trainee (E Howman) and the Democratic Services Officer (J Hammond)

32 APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllr Curson, Cllr Francis (with Cllr Legg substituting), Cllr Overton and Cllr Nuri-Nixon.

33 DECLARATIONS OF INTEREST

No declarations of interest were made.

34 MINUTES

The minutes of the meeting of the Economy and Environment Policy Committee held on 30 March 2022 were agreed as a correct record.

35 ECONOMIC GROWTH STRATEGIC PLAN

The Economic Growth Programme Manager introduced the report, which presented the South Norfolk Economic Growth Strategic Plan 2022-2027 and

summary document and sought the Committee to recommend to Cabinet that it approve and adopt the plan.

Members were advised that the Strategic Plan outlined the activities and projects which would be undertaken by the Economic Growth team to deliver against the priorities in the Council's Delivery Plan.

The Economic Growth Programme Manager explained that the long-term impacts of the pandemic as well as the emerging cost of living crisis had highlighted the need of an Economic Growth Strategic Plan. The proposed plan built upon local vision, whilst identifying the social and economic challenges, economic strengths and opportunities and detailing the actions and commitments needed to support clean, inclusive and productive growth. She further added that this would be achieved by focusing on four main priorities:

1. **Growth and Investment** – supporting businesses and brexit sectors and securing capital funding
2. **Quality Locations and Infrastructure** – quality and affordable housing, building community resilience, improving public transport and improving general infrastructure/connectivity
3. **Skills and Lifelong Learning** – addressing the skills shortage, creating high level employment and tackling long term unemployment while maintaining equality of opportunity and inclusive growth
4. **Enterprise** – encouraging the use of new technologies and developing networks

In delivering the plan attention would be paid to the opportunities and potential which existed in key clusters selected.

Key clusters included:

- Manufacturing and Engineering
- Visitor Economy and Cultural Sectors
- Agriculture and Life Sciences

Emerging clusters included:

- Financial Insurance and Professional Services
- Energy and Clean Technology

The Assistant Director of Economic Growth advised the Committee of the UK Shared Prosperity Fund (UKSPF) which formed part of the Government's 'levelling Up' agenda. He explained that the Council was required to submit a three-year Investment Plan by the end of June 2022 in order to bid for £1.75million in funding. Due to the fast-moving nature of the funding bid, the Assistant Director of Economic Growth proposed four additional recommendations to Cabinet. These additional recommendations proposed the use of the Economic Strategic Plan as a framework for the three-year Investment Plan, as well as delegated authority be given to the Assistant Director of Economic Growth, in consultation with the relevant Portfolio Holder:

1. For the creation, finalisation and submission of a three-year Investment Plan to meet the requirements of the UKSPF
2. To sign the contract and accept the terms of the UKSPF, subject to appropriate legal advice
3. For the allocation and expenditure of funding of the UKSPF, in line with the commitments set out in the Investment Plan and, by exception, lines of expenditure not included in the plan.

One member noted that at its last meeting the Committee recommended to Cabinet the post of a Community Infrastructure Officer, and queried whether this officer had had a role in creating the plan. The Assistant Director of Economic Growth explained that the role had not yet been filled, but once appointed, the officer would be involved in the implementation of the plan.

Discussion turned to the emerging Energy and Clean Technology cluster and members highlighted the risk of public opposition to inland wind turbines, solar farms and battery storage as well as the feasibility of securing funding against more coastal districts. The Economic Growth Programme Manager explained that there was a large amount of inward investment surrounding clean energy and technology which South Norfolk District should take advantage of. One member believed that the current cost of living crisis and rising fuel and energy costs was likely to have shifted views on the acceptability of inland renewable energy generation in favour of energy security and stability.

One member supported the focus on Agri-food clusters and highlighted the need to support the farming sector, especially in light of recent food shortages and the cessation of EU and Government grants. It was also noted how this cluster could tie-in with Energy and Clean Technology.

A number of members stressed the importance of providing premises for businesses to upsize instead of solely focusing on start-up businesses, as there was an imbalance in the provision available for start-ups. Alongside this members highlighted the need to identify and support the growth of social enterprises.

Discussion moved to the key issue of Housing Affordability and the Council's aim of "increasing new and affordable homes for residents". Members felt that the Strategic Plan needed to be clearer in terms of the desired outcome, concern was also raised regarding the risk of further house price increases resulting from the promotion of higher skilled employment in the district.

In response to a query, the Assistant Director of Economic Growth explained that whilst the Council could not directly deliver energy network infrastructure across the district, it could build relationships with local Distribution Network Operators (DNO's) to lobby for better provision and influence the location of infrastructure inline with housing development and the development of new settlements. One member added that DNOs were seeking to engage with

local authorities whilst developing their five-year Business Plans in order to ascertain where to invest in future energy infrastructure.

With regard to the priority of Skills and lifelong Learning, one member felt that the Strategic Plan did not reflect the true scale of the issue, as there was already a severe skills shortage in South Norfolk prior to the Covid-19 pandemic. It was also felt that, whilst important, apprenticeships were not the sole route for removing inequalities which reduced social mobility. In response to a question, the Economic Growth Programme Manager confirmed that officers were liaising with the University of East Anglia to understand current graduate retention levels and how improvements could be made. Members also noted that graduate retention and addressing the skills gap in South Norfolk could only be successful if rural transport links and infrastructure were addressed.

After further discussion, a vote was taken, and it was unanimously

RESOLVED

TO RECOMMEND TO CABINET that it:

1. Approve and adopt the South Norfolk Economic Growth Strategic Plan 2022 – 2027 and use of the Summary as an externally facing document.
2. Agree to the use of the Economic Strategic Plan as a framework for the three-year investment plan required for accessing UK Shared Prosperity Funding (UKSPF).
3. Delegate to the Assistant Director for Economic Growth, in consultation with the Portfolio Holder for Stronger Economy and the Leader of the Council, for the creation, finalisation and submission of a three-year investment plan to meet the requirements of the UKSPF.
4. Delegate to the Assistant Director for Economic Growth, in consultation with the Portfolio Holder for Stronger Economy and the Leader of the Council, to sign the contract and accept the terms of the UKSPF, subject to appropriate legal advice.
5. Delegate to the Assistant Director for Economic Growth, in consultation with the Portfolio Holder for Stronger Economy, the Portfolio Holder for Finances & Resources and the Leader of the Council, for the allocation and expenditure of funding of the UKSPF. In line with the commitments set out in the investment plan and, by exception, lines of expenditure not included in the plan.

(The meeting concluded at 3.14pm)

Chairman

CANCELLED

What is being done, in planning terms, and what could be done to mandate the installation of lower carbon and higher sustainability measures into new housing developments?

Report Author(s): Tracy Lincoln
Development Manager
01508 533814
Tracy.lincoln@southnorfolkandbroadsand.gov.uk

Portfolio: Stronger Economy

Ward(s) Affected: All

Purpose of the Report:

This report provides members with the planning and building regulation policy background relating to the introduction of higher sustainability and efficiency standards on new dwellings including renewable energy together with the intended journey to reach a new Future Homes Standard and be zero carbon ready.

Recommendations:

1. Note the contents of the report and the step change through the First Homes Standard (through the Building Regulations) for carbon and energy efficiency standards for new dwellings.
2. Officers to engage in further Future Homes Standards consultations in 2023 which will add further details to the published intended phased approach by Government to achieve the full aims of the Future Homes Standard

1. Summary

- 1.1. There is wide ranging support in principle through national and local planning policy and Building Regulations for incorporating renewable energy and energy efficiency measures in new developments.
- 1.2. There are, through the Joint Core Strategy (JCS), and continue to be, through the Greater Norwich Local Plan (GNLP), planning policies that require energy efficient design and provision of renewable energy in new dwellings. The GNLP however was drafted acknowledging that the Government's First Homes Standards may well require significantly greater requirements in this respect through Building Regulations.
- 1.3. It is evident that the introduction of First Homes will introduce a step change to future proof new buildings with low-carbon heating systems and high fabric efficiency and this to be secured through the Building Regulations.
- 1.4. First Homes will be in two phases. The first phase sees Building Regulations changes coming into force on 15 June 2022 and provides an immediate uplift to existing energy efficiency standards. Applying the requirements of the intermediate changes to building regulations should produce dwellings with 31% less CO2 compared to those built to current standards. The new Future Homes Standard when the second phase is developed and in effect by 2025 should ensure that all new homes built from 2025 will produce 75-80% less carbon emissions than homes delivered under current regulations.
- 1.5. Overall, the direction of travel of all policy updates takes us towards more decentralised renewable sources, higher efficiency and greater use of renewable energy but notably the First Homes Standards will be the key tool to realise a significant shift in renewable energy and energy efficient homes.

2. Policy context and planned approach

- 2.1 Two key factors, fabric energy efficiency and renewable energy generation are necessary to achieve homes with lower carbon requirements and therefore higher sustainability.
- 2.2 These two approaches have been used in combination within existing building regulations and planning policy.
- 2.3 A fabric first energy efficiency approach looks to the design and efficiency standards of the building to first deliver more efficient buildings and therefore a reduced energy requirement.
- 2.4 Once the energy efficiency of a dwelling has been improved, meeting the energy demands of the dwelling through the provision of renewable energy (low carbon sources) allows us to bring dwellings to a net zero carbon position.
- 2.5 In respect of a fabric first approach, the building regulations have largely governed the energy efficiency design standards required for this, with planning policy having required schemes to maximise sustainable construction and in some cases

demonstrating greater standards above that of building regulations where the provision of renewable energy 10% requirement hasn't been able to be achieved in full.

- 2.4 In respect of the delivery of low carbon renewable energy for dwellings this has been secured through the Joint Core Strategy with the application of policy JCS3 with its requirement for 10% of the schemes energy to be delivered through decentralised or low carbon sources. This is mostly secured through the provision of solar photovoltaics or air source heat pumps for approved schemes.
- 2.5 Emerging planning policy in the GNLP has set higher standards for energy efficiency and carbon, however with recognition that the planned shift change in the Building Regulations in the form of the Future Homes Standards may go beyond the planning requirements at pace.
- 2.6 The Future Homes Standard has progressed further since the coming of the GNLP and will now see the largest and most comprehensive changes to the Building Regulation focusing on new build housing and their energy efficiency, ventilation and overheating. This shift change and the requirement imposed for primary energy requirements and energy efficiency achieving an approx. 80% reduction in carbon for new dwellings with the full roll out of the First Homes Standards by 2025 will therefore supersede the planning requirements.
- 2.7 The sections below set out in more detail the current planning policy requirements; the proposed GNLP requirements and the Future Homes Standards (phased approach) where a shift change in sustainability and carbon reduction in new homes will be realised.

3. The Planning Context – Existing Policies

National: The National Planning Policy Framework

- 3.1. Sustainable development is at the heart of the National Planning Policy Framework running as a theme through the entire document with the presumption in favour of sustainable development. The environment is one of three pillars of sustainable development:

NPPF – Paragraph 8(c):

“an environmental objective – to protect and enhance our natural, built and historic environment; including making effective use of land, improving biodiversity, using natural resources prudently, minimising waste and pollution, and mitigating and adapting to climate change, including moving to a low carbon economy”

- 3.2. Section 14 of the NPPF is the key section for delivery of lower carbon and sustainability measures and incorporates measure to both prevent climate change and adapt to the changes already under way. Paragraph 152 sets the scene for this section:

“The planning system should support the transition to a low carbon future in a

changing climate, taking full account of flood risk and coastal change. It should help to: shape places in ways that contribute to radical reductions in greenhouse gas emissions, minimise vulnerability and improve resilience; encourage the reuse of existing resources, including the conversion of existing buildings; and support renewable and low carbon energy and associated infrastructure”

- 3.3. For writing development plans further paragraphs encourage a positive strategy for providing energy from sustainable sources, both through new specific energy projects and through incorporation into other forms of new development.
- 3.4. Support in principle is given to community led renewable energy projects subject to acceptable landscape impact. Support is given to renewable projects outside of local plan allocations subject to being proportionate to the area and acceptable impacts (landscape etc.).

National: Planning Practice and Guidance

- 3.5. The PPG documents are largely silent on the requirements for renewable energy on new homes, instead focusing on stand-alone renewable energy projects of all scales. It is left to the NPPF and local policies to give the details.

Local: The Joint Core Strategy

- 3.6. The Joint Core Strategy incorporates themes derived from the NPPF; but provides more detail relevant at the local level.
- 3.7. Within this document the key driver of existing planning application assessment at a development management level is policy 3 (Energy and Water). This policy requires all developments of 10 or more dwellings (or 1000m2 of Commercial) to provide at least 10% of their energy needs via decentralised and/or low carbon sources. There is also a requirement to explore options for achieving a higher amount. Major applications are also required to demonstrate that all viable and practical measures have been taken to maximise opportunities for sustainable construction.
- 3.8. Policy 3 provides the justification for planning conditions to be included on permissions whereby the specific schemes for the 10% (or greater) are then agreed and discharging the condition in most cases.
- 3.9. With this requirement, the exact mix by which the 10% is made up is not specified so can vary on a development-by-development basis but can include both renewable electricity generation (often in the form of solar panels) or renewable heating provision (increasingly in the form of air source heat pumps).
- 3.10. Anecdotally, some developments are exceeding this amount, especially where air source heat pumps are used on all dwellings or customer demand increases the solar panel provision, however others continue to only demonstrate the minimum 10% required.

Local: The South Norfolk Local Plan – Development Management Policies

- 3.11. Again, the SNLP incorporates themes derived from the NPPF; although it does not include a specific requirement on par with that outlined in the JCS.
- 3.12. As a result, there is no planning policy requirement for renewable energy on developments of less than 10 dwellings at present.
- 3.13. It is noted there is also no renewable energy requirements (through planning policy) on householder extensions, replacement dwellings or annexes.

Local – Neighbourhood Plans

- 3.14. There is an emphasis on local community led projects within the NPPF. PPG guidance offers the neighbourhood planning process as a method of securing renewable schemes. However, most (if not all) neighbourhood plans at present do not set renewable energy targets for new development.

4. The Planning opportunities – Emerging Planning Policy

The Greater Norwich Local Plan

- 4.1. The Greater Norwich Local Plan is being developed at present and will supersede the JCS when it is adopted.
- 4.2. The proposed policy to replace the 10% requirement is more general approach that supports decarbonised energy supplies locally by promoting measures such as decentralised, renewable and low carbon energy generation, co-locating potential heat customer and suppliers, and battery storage, as well as energy efficiency in new developments using the following text:
- 4.3 *“Minimise energy demand through the design and orientation of development and maximise the use of sustainable energy, local energy networks and battery storage to assist growth delivery. This will include:*
- All new development will provide a 19% reduction against Part L of the 2013 Building Regulations (amended 2016);*
 - Appropriate non-housing development of 500 square metres or above will meet the BREEAM “Very Good” energy efficiency standard, or any equivalent successor;*
- except where a lower provision is justified because the requirement would make the development unviable.”*
- 4.4 The policy also requires larger developments (100 dwellings plus or 10,000 square metres plus for non-residential development) to maximise opportunities for the use of sustainable local energy networks.
- 4.5 The defined standards were intended not to be prescriptive. They allow for either a “fabric first” approach to reducing energy use, which on many types of site tends to be cheaper, or the use of on-site sustainable energy, or a mixture of both. It was anticipated that should further detail on how energy efficiency could be

achieved to meet the aims of the policy an SPD could be formulated, however it is now evident that the requirements from the current Building Regulations changes (2022) and further standards required to complete the full First Homes Standards may largely render this unnecessary.

New Neighbourhood Plans

- 4.6 While neighbourhood plans are created at the parish level, support is provided by the SNC policy team and assistance could be given with regard to incorporating greater renewable energy requirements when new plans are being written.

National Policy Changes

- 4.7 National Planning Policy changes are currently in progress with the Levelling up Bill, although the impact on renewable energy delivery for new homes is currently unclear. At this stage, it does not appear likely there will be significant changes to national policy in this regard based on the available summaries.

5. Building Regulations

- 5.1. Building regulations provide the requirements for insulation and energy efficiency (amongst other safety requirements) and as a result, this standard is often stricter than planning policy.
- 5.2. The requirements set out energy usage limits and therefore offer two methods with which to achieve this: energy efficiency and provision of micro-generation renewable energy. The method chosen is largely up to the developer so at present, it is often done through greater insulation and energy efficiency measures as they are seen as the cheaper option. At present therefore, the largest driver in on site renewable energy provision most cases is the JCS 10% requirement previously highlighted.
- 5.3. A new Future Homes Standard is being introduced that will see the largest and most comprehensive changes to the Building Regulation focusing on new build housing and will cover efficiency, ventilation and overheating. To view the Future Homes Consultation: <https://www.gov.uk/government/consultations/the-future-building-standard>
- 5.4. The First Homes Standard will when fully implemented by 2025 future proof new buildings with low-carbon heating systems and high fabric efficiency standards see:
- 75% - 80% lower Co2 emissions for new homes built from 2025
 - Grid decarbonisation – zero carbon ready standard – no further retrofit required (no gas will be allowed in new homes from 2025) and key will be use of heat pumps in the home
 - Very high fabric standards
- 5.5 The First Homes Standard is being introduced in phases with the first phase amending the Building Regulations coming into force on 15 June 2022 which provides intermediate uplift to existing energy efficiency standards. Applying the requirements of the intermediate changes to building regulations now in effect

would mean new homes meeting the new standards should produce 31% less CO2 compared to those built to current standards.

- 5.6 The new Future Homes Standard should ensure that all new homes built from 2025 will produce 75-80% less carbon emissions than homes delivered under current regulations.

6 Conclusion

- 6.1 There is already a shift change coming into effect to achieve lower carbon homes without any further planning policy intervention.
- 6.2 In terms of achieving lower carbon homes the proposed GNLP sought a reduction against Part L of the current building regulations by 19% (which can be achieved by energy efficiency, design and renewable energy). It was however anticipated in drafting the GNLP that the First Homes Standards (shift in the Building Regulations) would go beyond this.
- 6.3 The First Homes Standards being implemented in two phases by the Government sees a step change to future proof new buildings with low carbon heating systems and high fabric efficiency and this to be secured through the Building Regulations.
- 6.4 The first phase of the Future Homes Standard effective June 2022 will already introduce changes to the Building Regulations to see a 30% reduction in carbon in new dwellings. The second phase, for which the detail will be consulted in 2023, will see the introduction of measures to reduce approx. 75-80% less carbon emissions than homes delivered under current regulations.
- 6.5 No further planning policy changes are necessary due the significant shift in Government Policy and focus through the Building Regulations mandatorily bring about these changes.

7 Recommendations

1. Note the contents of the report and the step change through the First Homes Standard (through the Building Regulations) for carbon and energy efficiency standards for new dwellings.
2. Officers to engage in further Future Homes Standards consultations in 2023 which will add further details to the published intended phased approach by Government to achieve the full aims of the Future Homes Standard

Background Papers