



# **Dacorum Borough Council**

## **Local Planning Framework**

### **DACORUM CORE STRATEGY EXAMINATION IN PUBLIC**

**Statement by Dacorum Borough Council**

**Issue 4: Design and Using Resources Efficiently**

**September 2012**

## **Purpose of this statement**

The purpose of this statement is to summarise the Council's position regarding the following issues raised by the Inspector in advance of their discussion at the public hearing sessions.

To avoid repetition this statement includes cross references to appropriate technical work and includes relevant extracts as appendices.

## Matters raised by Inspector

- 4.1 is the overall approach to design appropriate and will it result in distinctive development that will add to the character of the Borough?
- 4.2 What is the relationship between the existing Character Area Appraisals and Assessments and the proposed Urban Design SPD?
- 4.3 Policy CS11 (a) refers to 'density intended in an area.' Where is advice on the appropriate densities for an area?
- 4.4 Are the links between 'Securing Quality Design' (chapter 10) and 'Using Resources Efficiently' (chapter 18) sufficiently clear? Is Policy CS29 consistent with the relevant national guidance, including in relation to climate change? Is the policy overly prescriptive? The last paragraph refers to 'tree canopy requirements' but criterion (h) refers to the provision of new trees (not specifically their canopy). Should this be clarified?
- 4.5 Is the Council's approach to the alleviation of flood risk and to water management satisfactory? Is sufficient weight attached to the need to protect water resources and improve existing treatment works and drainage networks in the Borough?
- 4.6 Is sufficient weight attached to the potential for the use of renewable technologies? What is the 'future guidance' referred to in the second paragraph of Policy CS28?
- 4.7 Are the requirements of Table 11 (as proposed to be amended by MC60) reasonable and justified?
- 4.8 Is the Council's approach to providing funding through a 'sustainability offset fund' justified?

## Dacorum Borough Council's Response

- 4.1 Is the overall approach to design appropriate and will it result in distinctive development that will add to the character of the Borough?**
  - 4.1.1 The Council supports the great importance that the Government attaches to the design of the built environment (paragraph 56 National Planning Policy Framework, Examination Document REG15). The Council has taken a positive approach to urban design and incorporated design as a central theme of the Core Strategy. The policy derives from a comprehensive Urban Design Assessment (Examination Document BP1) and its update (Examination Document BP5). The Urban Design Assessment looks at the principles of design and recommends a framework for considering development proposals. It also looks at the character of each town and large village and their constituent parts and how that should influence future development. The aim is to retain or

create a strong sense of place, responding to local character and history and using streetscapes, buildings and the public realm to create attractive and safe places to be in.

4.1.2 The assessment framework set out in Section 10: Securing Quality Design (in the Pre-Submission Core Strategy) invites architects, designers and builders to systematically appraise their design and its effects – the site and its context.

4.1.3 The three step approach (Figure 15) is essentially simple:

- *be spatially aware* – i.e. recognise the context from higher level (i.e. place strategy) and from settlement to site. Policies CS10-13 provide criteria for assessing whether the development of a site properly addresses settlement, neighbourhood and site criteria and the relationship with the public realm.
- *Consider design and access* – i.e. CABE’s ‘By Design’ principles in Figure 12.
- *Consider sustainability* – i.e. complete a sustainability statement (guided by Policies CS28: Carbon Emission Reductions and CS29: Sustainable Design and Construction).

This approach can apply anywhere.

4.1.4 A good architect will weigh up all important factors. The assessment framework provides a checklist for all – designers and decision takers. It prompts and encourages improvement in design quality.

4.1.5 The Council’s approach reflects the requirements of paragraph 58 of the NPPF in so far as it seeks to ensure that developments;

- *“will ..... add to the overall quality of the area, not just for the short term but over the lifetime of development;*
- *establish a strong sense of place, using streetscapes and buildings to create attractive and comfortable places to live, work and visit;*
- *.....;*
- *respond to local character and history, and reflect the identity of local surroundings and materials, while not preventing or discouraging appropriate innovation;*
- *create safe and accessible environments where crime and disorder, and the fear of crime, do not undermine quality of life or community cohesion; and*
- *are visually attractive as a result of good architecture and appropriate landscaping.”*

4.1.6 The Commission for Architecture and the Built Environment (CABE) has reviewed the Core Strategy and supports Section 10. It concluded that the Core Strategy is easy to read and has a strong section on design (Appendix 4, Volume 5 Report of Consultation, Examination Document SUB5).

## **4.2 What is the relationship between the existing Character Area Appraisals and Assessments and the proposed Urban Design SPD?**

4.2.1 The proposed Urban Design SPD will supersede the existing Character Area

Appraisals and Assessments. The Character Area Appraisals and Assessments will therefore be reviewed and the parts retained within the new Urban Design SPD. The consultants who carried out the Urban Design Assessments recommended this. There are deficiencies in using the Character Area Assessment as they stand:

- they only apply to residential areas;
- they have a different framework to the urban design assessment approach;
- they tend to require existing character to be retained rather than seeking change and improvement; and
- they do not always reflect changes that have occurred.

4.2.2 The Council is not seeking to abandon the Residential Character Area Assessments as such, but remould them into a more up-to-date and forward looking urban design framework for all the main settlements.

4.2.3 Conservation Area Appraisals are more specific (looking at local issues relating to historic and architectural character) and will stand on their own. The Urban Design Framework provides a context for the Conservation Area Appraisals, and will not override them.

#### **4.3 Policy CS11 (a) refers to ‘density intended in an area.’ Where is advice on the appropriate densities for an area?**

4.3.1 The reference to ‘intended density’ refers to the policy for the area – rather than what is necessarily there. For example, the future density of residential development in Hemel Hempstead Town Centre is likely to be higher than the density that currently relates to residential uses in the area. The Urban Design Assessments (Examination Documents BP1 and BP5) set out what we expect these future densities to be. The Council needs to evaluate what should be retained from the Residential Character Area Assessments. This will be finalised in the Urban Design SPD and subject then to consultation.

#### **4.4 Are the links between ‘Securing Quality Design’ (chapter 10) and ‘Using Resources Efficiently’ (chapter 18) sufficiently clear? Is Policy CS29 consistent with the relevant national guidance, including in relation to climate change? Is the policy overly prescriptive? The last paragraph refers to ‘tree canopy requirements’ but criterion (h) refers to the provision of new trees (not specifically their canopy). Should this be clarified?**

4.4.1 These two policy approaches are complementary. The link between design and sustainable resource use is highlighted in Figure 13: 3 Step Approach to Successful Urban Design which includes a clear cross-reference to Policies CS28: Carbon Emission Reductions and CS29: Sustainable Design and Construction. The requirements of policies in chapter 10 (Securing Quality Design) and chapter 18 (Using Resources Efficiently) will be weighed up together when assessing planning applications. Both should normally be satisfied, although the viability clause in Policy CS29 will ensure that the costs placed upon development is not prohibitive.

4.4.2 The policies in both chapters will, in combination, help to deliver the

requirements of the NPPF (Examination Document REG15), as outlined in response to question 4.1 above.

4.4.3 It is recognised that some policies within chapters 10 and 18 are detailed in nature and more akin to those the Council would usually include within its Development Management DPD. However, design and sustainability policies within the current Dacorum Borough Local Plan (Examination Document OT1) are recognised as weak and it is therefore important to bring forward these new policies as soon as possible.

4.4.4 Policy CS29: Sustainable Design and Construction is consistent with guidance within the National Planning Policy Framework (Examination Document REG15). This stresses that *“Planning plays a key role in helping shape places to secure radical improvements in greenhouse gas emissions, minimising vulnerability and providing resilience to the impacts of climate change, and supporting the delivery of renewable and low carbon energy and associated infrastructure...” (para 93).* Furthermore, to support a low carbon future, paragraph 95 of the NPPF requires local planning authorities to:

- *“plan for new development in locations and ways in which reduce greenhouse gas emissions;*
- *actively support energy efficiency improvements in existing buildings; and*
- *when setting any local requirement for a building’s sustainability, do so in a way consistent with the Government’s zero carbon buildings policy and adopt nationally described standards.”*

4.4.5 Policy CS29 is also an important component of the Core Strategy’s wider objective of promoting sustainable communities (Strategic Objective 1 in section 6).

4.4.6 The policy has been subject to assessment as part of the Sustainability Appraisal process (alongside Policies CS28 and CS30-32). This assessment concluded that *“Significant positive effects relating to water use, greenhouse gas emissions, remediation of contaminated land, waste reduction and energy efficiency have been predicted for this suite of policies. Other positive effects have been predicted against the environmental objectives particularly as a result of the sustainable design and construction policy..... Limited effects have been identified against the social and economic objectives.”* (paragraph 6.6.1 of Examination Document SUB3).

4.4.7 The policy is supported by, and itself supports, Hertfordshire’s ‘Building Futures’ initiative (Examination Document SD1) and [www.hertslink.org/buildingfutures](http://www.hertslink.org/buildingfutures). Building Futures is a series of ‘good practice’ guidance manuals that seek to make development within the county more sustainable and of a higher design quality.

4.4.8 The principles in Policy CS29 are considered to be logical and sound. As a result of representations received on the Pre-Submission Core Strategy (Examination Document SUB1) the Council has proposed a number of minor changes to the policy and associated supporting text. These amendments are set out within the Part 2, Table 3 of the Report of Representations (Examination

Document SUB5). They are intended to improve explanation of the policy approach and reflect concerns regarding viability. The policy approach itself remains unchanged.

- 4.4.9 The policy is worded to refer to the principles being 'normally satisfied' rather than an absolute requirement. This is explained further through minor change MC58 which proposes the inclusion of a new supporting paragraph (after paragraph 18.11) to state that "*..... Standards and targets will be used as guidelines, allowing a degree of flexibility so as not to prevent necessary development.*" This builds in an appropriate degree of flexibility and will help ensure that any viability is taken into account. The issue of viability is further addressed through proposed minor changes to Table 11 (MC60) and the movement of the clause that refers to technical feasibility and viability to the end of the policy to ensure that it applies to both the criteria and the off-set requirements (see response to question 4.7 below).
- 4.4.10 Criterion (e) aims to limit residential indoor water consumption to 105 litres per day, until superseded by national statutory advice. The standard comes from the Code for Sustainable Homes (Code Level 3) and is supported by the Environment Agency.
- 4.4.11 Criterion (f) cross refers to Table 11 which sets out progress towards zero carbon in new development. This approach is considered robust and not unduly onerous for the reasons set out in response to question 4.7 below.
- 4.4.12 Criterion (h) specifies the incorporation of at least one new tree per dwelling or 100sqm for non-residential development. The 100sqm figure equates to the average floorspace of a new residential property. The requirement is justified in terms of the ability of trees to 'fix' carbon, to reduce the 'heat island' effect in urban environments and the positive impact they can have upon the natural and built landscape.
- 4.4.13 A minor change has been put forward to the last paragraph of Policy CS29 to replace reference to 'tree canopy' with 'tree planting' to clarify terminology. It is however the tree canopy which is ultimately important.

**4.5 Is the Council's approach to the alleviation of flood risk and to water management satisfactory? Is sufficient weight attached to the need to protect water resources and improve existing treatment works and drainage networks in the Borough?**

4.5.1 The Council's approach to flood risk and water management has the support of the Environment Agency and Hertfordshire County Council (in their capacity as the lead local flood authority). It sets out the approach to reducing flood risk (Policy CS31: Water Management) and improving water quality (Policy CS32: Air, Soil and Water Quality), as required by the NPPF (paragraph 99). Policy CS29: Sustainable Design and Construction will also play an important role through requirements regarding water use.

4.5.2 The wording of Policy CS31 was specifically referred to the Environmental

Resources Planning Team at Hertfordshire County Council for advice on conformity with new flood and drainage regulations prior to publication of the Pre-Submission Core Strategy. The current policy wording reflects the advice given. The policy also meets the requirements of the NPPF (paragraph 100) by avoiding development in Flood Zones 2 and 3 (unless for a compatible use) and requiring the submission of Flood Risk Assessments for planning applications within these areas. These must set out how the sequential approach has been taken into account and any mitigation measures proposed. Criteria (b) and (c) seek to ensure new development helps reduce the causes and impacts of flooding by minimising water run-off and securing opportunities to reduce the cause and impact of flooding, such as using green infrastructure for flood storage.

- 4.5.3 A explained in paragraph 18.32 and 18.33 (incorporating proposed minor change E35) a Strategic Flood Risk Assessment (Stage1: Examination Document EN4 and Stage 2: Examination Document EN7) has been prepared, which incorporates a sequential approach. Both were carried out by specialist consultants and have been agreed with the Environment Agency.
- 4.5.4 A Water Cycle Scoping Report (Examination Document EN8) has also been prepared in conjunction with Three Rivers, Watford, St Albans and Welwyn and Hatfield Council, with the support and involvement of the Environment Agency, Thames Water and Veolia Water. This examines the condition of the existing distribution network and waste water treatment works and whether they would be able to cope with additional development growth. Whilst no significant upgrades are expected to be required to existing treatment works within the Borough, the study concluded that further work is required to establish the nature of upgrades required to waste water treatment works that serve parts of the Borough but are outside of it. Upgrades will also be required to the sewerage network at Hemel Hempstead and Kings Langley, and potentially elsewhere. The Water Cycle Group will reconvene at appropriate intervals to take this work forward.
- 4.5.5 Discussion regarding the provision of this infrastructure – and appropriate funding mechanism will also take place as part of the Infrastructure Delivery Plan process (see response to Issue 17, in particular questions 17.1 and 17.2). Thames Water and Veolia Water have been provided with a breakdown of the expected housing trajectory to provide a clear picture of the expected level and distribution of new development within the Borough. Both are happy with the Council’s policies and approach.
- 4.5.6 The protection of the Borough’s water resources will be ensured through the application of a number of Core Strategy policies, primarily:
- Policy CS29: Sustainable Design and Construction – in particular criteria (e) relating to limiting indoor water consumption and (f) which refers to Code of Sustainable Homes standards, which in themselves have requirements regarding water use;
  - Policy CS32: Air, Soil and water Quality, which requires improvements in water quality standards in line with the Water Framework Directive, and advice from Natural England and the Environment Policy; and
  - Policy CS26: Green Infrastructure, as the Borough’s water resources are also of ecological importance.

4.5.7 Policies 104: Nature Conservation in River Valleys and 105: Lakes, Rivers and Ponds of the Dacorum Borough Local Plan will also continue to apply until superseded through the Development Management DPD.

**4.6 Is sufficient weight attached to the potential for the use of renewable technologies? What is the ‘future guidance’ referred to in the second paragraph of Policy CS28?**

4.6.1 The National Planning Policy Framework (Examination Document REG15) stresses that *“Planning plays a key role in helping shape places to secure radical improvements in greenhouse gas emissions, minimising vulnerability and providing resilience to the impacts of climate change, and supporting the delivery of renewable and low carbon energy and associated infrastructure...”* (para 93).”

4.6.2 The Core Strategy puts very clear emphasis upon this issue. The Borough Vision (section 5 of the Pre-Submission Core Strategy) foresees that by 2031 *‘Carbon emissions have been reduced and renewable energy production is sensitive to its surroundings.’* This is reflected in a strategic objective to *‘Mitigate and adapt to the impacts of climate change.’* Climate change issues are reflected explicitly in three Core Strategy policies (CS28: Carbon Emission Reductions, CS29: Sustainable Design and Construction and CS30: Sustainability Offset Fund, and are implicit in many others (e.g. CS8: Sustainable Transport and CS31: Water Management).

4.6.3 As part of this focus on climate change, the Council has had specific regard to the potential role of renewable technologies. The Hertfordshire Low and Zero Carbon Technical Study (Examination Document SD2) was commissioned by Hertfordshire County Council and its constituent local planning authorities to consider, amongst other things, the distribution and extent of existing and potential renewable and low carbon technologies (known as RLCs), and how these could best be exploited.

4.6.4 The study concluded that throughout the county there was local potential for a range of renewable technologies including:

- Wind (both large scale and micro-generation)
- District heating
- Biomass
- Solar (both solar photovoltaic and solar water heating).

Site-specific RLC studies will however be required to ascertain feasibility on specific development sites.

4.6.5 The recommendations of the Low and Zero Carbon Technical Study are reflected in Policy CS28: Carbon Emission Reductions and Map 4: Energy Opportunities Plan within the Pre-Submission Core Strategy. Minor change E30 proposes to amend the title of Map 4 to ‘Opportunities for Renewable Energy’ to aid clarity. Further minor and editorial changes are proposed to the supporting text (paragraphs 18.11 to 18.18) to improve explanation of the Council’s approach.

4.6.6 The Energy Opportunities Plan identifies those areas where the Low and Zero

Carbon Technical Study identified potential for large scale RLCs:

(a) *District Heating Opportunity Areas:*

Opportunities for exploiting district heating potential are greatest at locations with high and consistent heat demand. Whilst potential areas include all three of the Borough's town centres, the greatest scope will be in Hemel Hempstead due to the significant regeneration activities taking place here. There is also potential in the borough's other key regeneration area, the Maylands Business Park, and as part of any large-scale greenfield development.

(b) *Wind Turbines:*

The study suggests that there is potential scope for this form of RLC energy production within the Borough. However, this potential is caveated in paragraph 18.13 as many of the areas identified fall within the Green Belt and clear justification would be required to take any large-scale generation schemes forward (Policy CS5: Green Belt). The Chilterns Area of Outstanding Natural Beauty will also pose an additional landscape constraint in some locations. Policy CS24: The Chilterns Area of Outstanding Natural Beauty states that *'the scarp slope will be protected from development that would have a negative impact upon its skyline.'* Due to a combination of physical and engineering constraints, opportunities are likely to be limited to small wind farms or one-off turbines.

(c) *Biomass:*

Scope for this form of RLC energy production will, by its very nature, be focussed on rural parts of the borough. The study advises that Grade 3 and Grade 4 agricultural land areas are best suited to growing energy crops. In addition, the presence of woodland and parks provides an additional potential resource.

4.6.7 Due to the UK's climate, opportunities for large scale solar power are low and not considered to be as viable as the other RLC's listed above. It is therefore not identified on the Energy Opportunities Plan. However, micro-generation schemes for solar photovoltaics and solar hot water heating, heat pumps and wind will often be possible, depending upon site specific conditions – such as building location and orientation (page 48 of Examination Document SD2).

4.6.8 Policy CS28: Carbon Emission Reductions Policy CS28 is intended to be a framework policy. It encourages carbon emission reductions through the generation and use of energy, with specific targets and opportunities to be set out in further guidance. This further guidance is articulated in the delivery section that covers Policies CS28-30 (and follows Policy CS30. It will comprise:

- identifying key sites for decentralised renewable energy in the Site Allocations DPD; and
- developing policy in the Development Management DPD and other guidance.

4.6.9 In addition to introducing new planning policies into its Local Planning Framework, the Council has also introduced a number of other initiatives that illustrate its commitment to promoting renewable technologies. Dacorum's Social Housing Energy Project includes an initiative to replace electric storage heaters in Council homes in off-gas areas with air-source heat pumps. Grants

and loans have been provided for renewable energy technologies for existing private sector properties through the Herts Essex Energy Partnership (see Appendix 1 A1.2 for further details.) Such projects are important as they demonstrate to the development industry how the requirements of the Core Strategy policies can be put into practice for relatively low additional costs and showcase the practical operation of these renewable technologies.

4.6.10 The precise nature of the further guidance referred to in Policy CS28 has yet to be agreed – with the option for a county-wide approach being discussed as part of stage 2 work on the Low and Zero Carbon Study. At a minimum it will relate to the updating of the current Sustainability Advice Note (Examination Document SD4) to reflect the latest policy position, with targets for generating renewable electricity and heat accommodated within the C-Plan Energy Statements. An additional policy in the Development Management DPD and/or a new Supplementary Planning Document setting out targets and opportunities for generating renewable electricity and heat may also be appropriate.

**4.7 Are the requirements of Table 11 (as proposed to be amended by MC60) reasonable and justified?**

4.7.1 The National Planning Policy Framework (Examination Document REG15) advocates “*proactive strategies to mitigate and adapt to climate change*” (paragraph 94) and to do so in a way that is “*Consistent with the Government’s zero carbons building policy and linked to nationally prescribed standards*” (paragraph 95). This is precisely what the Council is seeking to achieve through the application of Policy CS29: Sustainable Design and Construction, and Table 11 to which the policy refers.

4.7.2 Table 11 sets out requirements for a step change in the Code for Sustainable Homes (or any equivalent national standard) and additional carbon dioxide reduction, from a baseline of the 2010 Part L Building Regulations. These requirements vary between:

- a) location (i.e. within or outside of identified District Heating Opportunity Areas);
- b) by the size of development; and
- c) over time.

4.7.3 This approach will help to deliver a phased tightening of standards for new development that is transparent to developers and landowners – regardless of when development takes place within the plan period.

4.7.4 The rate of change towards achieving zero carbon is appropriate to Dacorum. Monitoring of applications is in place as a check (through the CPlan system: Examination Document SD3) and there are safeguards in the associated policy (Policy CS29: Sustainable Design and Construction) to ensure development is viable. Proposed minor change MC56 explains the issues of phasing and viability considerations further through inclusion of additional supporting text and will aid clarity.

4.7.5 Minor change MC60 proposes to simplify the title of Table 11 to refer to 'Progress towards Zero Carbon in New Development' and reformats the table's contents to improve ease of understanding. The standards are now articulated as 'stages' to ensure correlation between the introduction of a more stringent standard and the tightening of Building Regulations. This means that whilst the approach remains unchanged, the introduction of Stage 2 and Stage 3 requirements may be later than previously specified. This builds greater flexibility into the approach and responds to concerns raised, whilst retaining what the Council considers is a sound and robust approach.

4.7.6 Differentiating between the size of developments acknowledges that both the range of options for achieving the specified standards, and its viability, will be greater for larger schemes. The Low and Zero Carbon Study (Examination Document SD2) advised that the greatest potential for achieving zero carbon development was in District Heating Opportunity Areas identified in Map 4: Energy Opportunity Areas. This is reflected within the requirements within Table 11.

#### **4.8 Is the Council's approach to providing funding through a 'sustainability offset fund' justified?**

4.8.1 The establishment of an off-set fund follows a recommendation from AECOM in the Low and Zero Carbon Technical Study (Examination Document SD2). Renewable technologies (as referred to under question 4.6) are only one component of both the Government's and Council's strategy to promote carbon reductions. The Low and Zero Carbon Technical Study (page 5 of non-technical summary) recommends that this should be a three stage process:

1. *Energy efficiency* – taking account of the building fabric energy efficiency
2. *Carbon compliance* – taking account of systems and controls, such as heating / cooling systems, RLC technologies and mechanical ventilation
3. *Allowable solutions* - covering the remaining carbon emitted from the dwelling for 30 years i.e. through the use of white goods

4.8.2 This more holistic approach to considering the role of renewable energy as part of a low carbon future is reflected in Figure 16: Energy Hierarchy of the Pre-Submission Core Strategy. This clearly shows that whilst important, renewable energy must form part of a wider approach that seeks to reduce energy consumption and maximise energy efficiency in development. The establishment of an off-set fund is a key component of this wider approach.

4.8.3 The principal role of the off-set fund is to provide a mechanism for capturing the non-regulatory carbon emissions (the 'allowable solutions' referred to above), which account for about 30% of total carbon emissions for new developments. This means that policy principles relating to low and zero carbon can be met even where certain requirements cannot be achieved on-site.

- 4.8.4 The fund has been broadened to enable it to also help fund water efficiency improvements and new tree planting and habitat creation within the borough. Water treatment is an energy intensive process. A significant amount of energy, and therefore carbon emissions, can be saved by improving water efficiency. Planting new trees will mean more carbon emissions can be absorbed. Habitat creation reflects the relatively new concept of biodiversity off-setting. It will help provide additional tree and woodland planting, to extend and supplement existing green corridors and to reinforce landscape belts. These practical measures will support delivery of Policy CS26: Green Infrastructure
- 4.8.5 Concerns regarding potential, viability implications of paying into such a fund are overcome by the introduction of proposed minor change MC64. This relocates the viability clause to the end of the policy – thereby clarifying that it applies to contributions to the offset fund as well as on-site requirements. The use of an off-set fund may also support the delivery of new development – enabling developers to pay into a fund rather than incorporate improvements into the development where this may otherwise prove difficult.
- 4.8.6 There is no immediate need to establish the off-set fund, as the need to capture ‘allowable solutions’ only comes into effect when development is required to meet Codes 5 or 6 of the Code for Sustainable Homes (see discussion regarding Table 11 in responses to question 4.7 above). The exception is within District Heating Opportunities Areas which are one step above the current code level, so will need to comply with Code Level 5 sooner than elsewhere. The calculation of contributions will be governed by Government standards (set by the Department for Energy and Climate Change) for a payment per tonne of carbon. The Council’s online CPlan system (Examination Document SD3) will then calculate the off-set payment required. Procedures for collection and spend will be considered alongside the new Community Infrastructure Levy (CIL) and s106 procedures.
- 4.8.7 It is considered that the off-set fund approach is best developed on a county-wide or multi-district basis and there have already been informal discussions with other Hertfordshire authorities to this effect. If the development of a cross-boundary approach is not possible, the Council can consider the mechanism for operating the fund as part of the forthcoming Housing Energy Strategy, which will be developed in accordance with guidance from the Home Energy Conservation Act (<http://www.decc.gov.uk/assets/decc/11/tackling-climate-change/saving-energy-co2/5992-guidance-to-english-energy-conservation-authoritie.pdf>).
- 4.8.8 The Council is learning from ‘best practice’ gained from participation in a ‘Responding to Climate Change’ supported learning group, run by the Planning Officers Society. Through this group the Council is aware of several other local planning authorities who already have similar off-set schemes in place e.g. Milton Keynes and Reigate & Banstead. These schemes have proved successful and not hindered delivery of new development as some developers fear.
- 4.8.9 The scheme is important to help the Council to continue to deliver a number of

important carbon reduction initiatives, which have helped deliver significant improvements to both public and private housing stock. The current funding regime for a number of national and regional schemes will soon be coming to an end, and replacement schemes are expected to have fewer overall resources and be based on less favourable terms. This may have a detrimental impact upon the uptake of renewable technology and energy saving measures within the Borough. For example, the Hertfordshire and Essex Energy Partnership (HEEP) has previously been an important source of funding for the installation of renewable technologies such as solar panels and air source heat pumps. Funding for this project has now ceased, and when other factors such as the reduction of feed in tariffs are taken into account, there is a significant reduction in incentives for the uptake of renewables. Further information about the loss of existing funding mechanisms for energy consideration measures is set out in Appendix 1. Money obtained through the off-set fund would help to plug this anticipated funding gap - allowing existing schemes to be extended or new schemes to come forward.

- 4.8.10 Whilst other policies within the Core Strategy will ensure that new development is built to a very high sustainability standard, the off-set fund will play a significant role in improving the energy performance of the Borough's existing housing stock. Whilst this stock compares favourably with the national average, it would nevertheless benefit greatly from being upgraded. It is through a combination of tackling new build and upgrading existing building stock that the Council can have the greatest impact upon future carbon emissions.

## Funding Schemes for Energy Conservation Measures and Renewable Technologies

### A1.1 NATIONAL FUNDING SCHEMES

A.1.1.1 Table A shows the national funding sources for energy conservation measures due to expire December 2012:

**Table A: National funding schemes due to expire in December 2012**

<i>Scheme</i>	<i>Nature of scheme</i>	<i>Total national funding 2008-2012</i>
Warm Front	Government funded scheme aimed at tackling fuel poverty in privatesectorhousing	£1319m
Community Energy Savings Programme	Energy company funded – note: there are no qualifying areas in Dacorum	£350m
Carbon Emissions Reduction Target (CERT)	Energy Company funded grants and subsidies – both private and social housing	£5.5 billion (approx £1.4 billion pa)

A1.1.2 Table B shows the national schemes that are expected to be available from 2013..

**Table B: National funding schemes from 2013 onwards**

<i>Scheme</i>	<i>Nature of scheme</i>	<i>Total national budget</i>
Energy Company Obligation (ECO)	Energy company funded aimed at tackling fuel poverty and “hard to treat” homes – both private and social housing.	£1.3 billion pa
Green Deal loans (Market led finance with some pump priming from Central Government.)	Loans for energy conservation measures repaid via the householder’s electricity bill, with an interest rate set at 7.5%.	£14 billion over 10 years (projected by DECC)

A1.1.3 There is likely to be strong competition for the Energy Company Obligation (ECO) funding. There is some uncertainty about how Green Deal loans will work in practice. Alternative funding sources would help should the Green Deal and ECO be oversubscribed and fill the gaps where the Green Deal may not be practicable. For example, to get a Green Deal loan a householder will need to commission a Green Deal Assessment of their property which is estimated to cost £50-£100. This may prove to be a deterrent for household looking to install relatively low cost measures such as loft and cavity wall insulation.

## **A1.2 REGIONAL FUNDING SCHEMES**

A1.2.1 In Hertfordshire the Herts Essex Energy Partnership (HEEP) scheme began in 2009 and came to an end in June 2012. Free loft and cavity wall insulation (funded by CERT) is still available for owner occupiers and private tenants until the end of December, when this too will cease. HEEP was funded by the Regional Housing Pot for Private Sector Housing with match funding from Warm Front and CERT.

A1.2.2 The Council has experience of providing financial assistance for renewable energy for existing private sector homes through low carbon loans administered as part of this scheme. Loans were made available to householders for either £6000 or 50% of the cost of the works (whichever was the lower value). The loans were placed as a land charge against the property.

A1.2.3 £ 390,620 was spent on HEEP from the Regional Housing Pot in Dacorum. This excludes contributions from householders, Warm Front and CERT. The measures installed are shown by tables C and D overleaf.

A1.2.4 There is no planned regional funding to replace HEEP. It will instead be replaced by the national ECO and Green Deal loans. A Sustainability Offset Fund could be used to top up the funding available from ECO and the Green Deal to finance a similar scheme to HEEP in the future.

**Table C HEEP Priority Group Grants (in receipt of income based benefits)**

<i>Measure</i>	<i>Number installed</i>
Loft insulation	169
Cavity Wall insulation	73
Heating	69
Warm Front top up grant (heating)	19
Solar Water Heating	1
External Wall Insulation	1

**Table D HEEP Able To Pay Grants, Loans and Subsidies  
(not in receipt of qualifying benefits)**

<i>Measure</i>	<i>Number installed</i>
Loft insulation	378
Cavity Wall insulation	343
Solar PV (Low carbon loan)	8
Solar Water Heating (Low carbon loan)	2
External Wall Insulation (Low carbon loan)	1