

ENERGY EFFICIENCY

Executive Summary

This report provides an overview of what the Council has done and continues to do to ensure local homes across a range of tenures are being brought up to modern energy efficiency standards. It examines the level of energy efficiency measures developers currently provide in new residential developments, the local and national context in which any new actions will need to be considered and highlights some further opportunities for action subject to funding availability.

Recommendations

The Committee is requested to:

RESOLVE That

- (i) the outcomes of these enquiries, as set out in the report be noted;
- (ii) The Council prepares for the further planned changes of the National Future Homes Standards, to ensure that new homes and extensions meet the highest possible energy efficiency standards;
- (iii) Welcomes the forthcoming revised Climate Change Strategy and Climate Change Supplementary Planning Document in order to secure the latest energy efficiency best practice in development;
- (iv) Supports the Council continuing to prepare bids for external funding opportunities that directly relate to energy efficiency improvements; and
- (v) Recommends that Planning Development Management develops standard conditions in line with Building Regulations to secure energy efficiency outcomes.

The Committee has the authority to determine the recommendation(s) set out above.

Background Papers:	None.
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1.0 Introduction

1.1 At the 11 July 2022 Overview and Scrutiny, Councillor Davis proposed the following topic for scrutiny:

‘A progress report on what the Council, including ThamesWey, has been, is doing and plans to do to ensure domestic properties meet modern energy efficiency standards, for the benefit of tenants and the environment. For example, through insulation. The report also to consider the contribution private development makes to the stock of energy efficient homes in the borough. In both respects, to understand any further steps that could be taken (and the associated costs, where these are known)’.

1.2 It was agreed that a report on this topic be brought to this meeting. This report seeks to:

- i) Explain what the Council has done and continues to do to ensure domestic properties meet modern energy efficiency standards, in existing housing stock, private and publicly owned.
- ii) Examine the level of energy efficiency measures developers provide in new residential developments; and
- iii) Identify and better understand the opportunities for achieving more in Woking borough, how and at what cost.

1.3 This report has been informed by input from multiple teams of the Council and the views of organisations delivering new homes in Woking borough.

2.0 Climate Change and the Cost of Living

2.1 Making homes more energy efficient helps to tackle locally the twin global challenges of climate change and the rising cost of living.

Cost of living

2.2 A household is ‘fuel poor’ if they are living in a property with a fuel poverty energy efficiency rating of band D or below and, when they spend the required amount to heat their home, they are left with a residual income below the official poverty line. Sub-regional government data published this year shows that 2,796 households of Woking’s 42,884 total households (6.5%) were in fuel poverty in 2020.

2.3 The rising cost of living is already impacting Woking’s residents, with many experiencing financial difficulties for the first time. The increasing costs of energy prices is a key contributor to current high inflation, as wholesale costs have risen because the conflict in Ukraine has reduced supplies of Russian gas, and as demand for energy has risen since Covid restrictions ended.

2.4 Rising energy price increases are being passed on to customers through an increase to the Energy Price Cap. The energy price cap is a backstop protection from the Government for people who default onto their supplier’s basic energy tariff. The price cap is calculated quarterly. The latest cap announced by Ofgem in August 2022 was due to be effective from 1 October 2022 and would have seen a household with typical energy use in the UK pay on average around £3,549 for their energy bills.

2.5 This was, however, superseded by the Energy Price Guarantee announced by the Government in September, and which came into effect on 1 October 2022. This new scheme reduced the unit cost of electricity and gas so that a household with typical energy use in the

Energy Efficiency

UK will pay on average around £2,500 a year on their energy bill this winter. The guarantee limits the amount suppliers can charge for units of gas; energy suppliers are being fully compensated by the Government for the savings delivered to households. A Treasury-led review is to look at what measures should be put in place after April 2023, it says it will prioritise those most in need.

- 2.6 The guarantee is in addition to the £400 non-repayable Energy Bills Support Scheme for eligible households to help with their energy bills over winter 2022. Also, to the non-repayable £150 energy council tax rebate given to eligible households (bands A to D) in England from April 2022.
- 2.7 The National Grid has recently started a trial scheme, running between November and March, to encourage people to use less electricity at peak times. Participants with a smart meter who avoid using high-energy appliances such as washing machines in the late afternoon or early evening on 12 test days could get discounts of up to £100 (up to a £3 per kilowatt hour saving) on their energy bills.
- 2.8 The exact amount a household will pay for their energy will always still depend on how much energy they use, as well as where they live, how they pay for their energy and their metering arrangement. The £2,500 figure is based on a household with typical consumption on a dual electricity and gas bill paying by direct debit, using 12,000 kWh (kilowatt hours) of gas and 2,900 kWh of electricity a year.
- 2.9 The UK's independent energy regulator, the Office of Gas and Electricity Markets (Ofgem) expects that, by the end of 2023 when the energy price guarantee closes, other reforms will have brought forward easier and fairer access to energy deals. For example, faster supplier switching times, smart meters and other industry changes.
- 2.10 In October, the Government also announced plans for a temporary cap (the cost-plus-revenue limit) to limit the amount generators can make on renewable energy generators and nuclear power plant revenues. This was introduced in the House of Commons as part of the Energy Prices Bill, which will put into law support to help households, businesses and others with energy costs this winter. It also includes powers to stop volatile and high gas prices dictating the cost of electricity produced by much cheaper renewables.
- 2.11 An Energy (Security) Bill was introduced to Parliament in July 2022. This aims to deliver a cleaner, more affordable, and more secure energy system for the long term. The Government has said the bill is based on three key pillars:
 - Leveraging investment in clean technologies.
 - Reforming the UK's energy system and protecting consumers.
 - Maintaining the safety, security, and resilience of the energy systems across the UK.
- 2.12 On reforming the UK's energy system and protecting consumers, the Bill seeks to enable the extension of the energy price cap beyond 2023. The Bill is due to pass in late 2022/early 2023.
- 2.13 In Woking borough, a wide range of charities, not-for-profit groups and public service organisations are working together to help residents challenged by the cost of living crisis.
- 2.14 The Executive on 6 October 2022 considered an initial cost of living action plan, following declaration of a cost of living emergency in July and a summit held on 27 September. Monthly progress updates are subsequently being brought to the Executive on this subject.

Climate change

- 2.15 On 25 July 2019, the Council declared a climate and ecological emergency. This cross-party declaration recognised the continued priority and commitment the borough gives to addressing

climate change, both through mitigation and adaptation. The Council has pledged to become carbon neutral by 2030 across its own estate and operations, and by 2050 (or sooner) across the wider borough.

- 2.16 A [Climate Emergency Action Plan \(CEAP\)](#) was adopted setting out a range of priority actions in furtherance of the declaration which include energy efficiency. Energy use is the largest contributor to the corporate and borough carbon footprint.
- 2.17 The Council's [Woking for All strategy](#) (2022-2027) and the [supplementary and amended priorities](#) (for 2022-23) include a core greener communities theme acknowledging the commitment to climate change action by the local authority.
- 2.18 Priorities linked to this topic include:
- Completion of an independent assessment of the Council's corporate carbon footprint to improve the Council's knowledge of its environmental impact and help to further identify key areas of focus, in order to reach our net zero target by 2030.
 - Delivery of actions within the Climate Emergency Action Plan.
 - Working with partners to continue to deliver household energy efficiency improvements and tackle fuel poverty.
 - Continuing work through [Planet Woking](#), to sustain a programme of online climate and biodiversity focused resources and communications.
 - Complete the £3m grant funded energy efficiency project to connect Midas House and Export House to the ThamesWey heat network.
 - The Liberal Democrat administration will work cross-party through the Greener Woking Working Group to ensure these important priorities are delivered.
- 2.19 More information on the Council's policy and all the priority actions to address climate change will be brought to the Overview and Scrutiny Committee in early 2023.
- 2.20 In this context, this report will now focus on the energy efficiency of domestic properties.

3.0 Energy efficiency

- 3.1 Energy efficiency is about reducing the amount of energy that households (and businesses) need. Through greater efficiency we can make properties more comfortable (supporting health and well-being) and cheaper to run (tackling fuel poverty), whilst simultaneously reducing our carbon emissions (a key cause of climate change).
- 3.2 Nationally, over 90% of our homes are heated by fossil fuels, accounting for a third of UK total gas use. By reducing our energy usage, we can also reduce our dependency on imported gas from overseas (energy security).
- 3.3 In this context, it is important to acknowledge the key principles of an 'energy hierarchy', that consideration and action must be given first to reducing energy demand and addressing energy efficiency measures within buildings, before other energy improvement projects are pursued such as on-site/decentralised renewable energy, off-site renewable energy, and lower carbon fossil fuel generation.
- 3.4 The Council continues to maintain energy efficiency across its estate as part of ongoing planned maintenance and this is captured within CEAP priorities and the Council's [Renewable Energy Plan](#). Whilst a detailed consideration of energy production measures for domestic properties - such as solar photo voltaic, ground or air source heat pumps and similar are outside of the central scope of this report, reference will be to these where helpful to providing a clear picture of current or planned action. Full details about these and other renewable energy actions can be found on the Action Surrey and Woking Borough Council websites.

- 3.5 Energy efficiency measures can take many forms, but contemporary standards typically expect a modern home to feature:
- Double glazing.
 - Insulation – potentially: solid and cavity wall insulation; loft insulation; park home and underfloor insulation.
 - Draught-proofing.
 - Energy efficient LED light bulbs.
 - Use of low energy design principles - building form, layout, orientation, window design, solar shading, landscaping, and use of landform.
- 3.6 Energy Performance Certificates (EPCs) provide a measure of a property's energy performance. EPCs are needed whenever a property is newly constructed, sold, or rented. The requirement for EPCs was introduced in phases and was fully implemented for domestic properties in autumn 2018. An EPC contains information about a property's energy use and typical energy costs and makes recommendations about how to reduce energy use and save money. An EPC gives a property an energy efficiency rating from A (most efficient) to G (least efficient) and is valid for 10 years. EPCs are prepared by an accredited assessor.

4.0 Local and National Policies and Standards

- 4.1 Woking Borough Council has taken a strong lead on tackling the causes of climate change, it has led the way in developing sustainable energy, and has long supported communities with taking steps to greater energy efficiency in homes.
- 4.2 The Council locally wants new developments to maximise opportunities for the efficient use of energy (and water) in buildings, as well as managing waste effectively and implementing renewable energy technologies. National and, where possible, local standards of energy efficiency are required by legislation and/or policy in new residential properties built in the borough. This section outlines the minimum standards for energy efficiency currently sought and any planned updates to these.

Planning and Building Regulations

- 4.3 Most domestic development - all new dwellings (new build and conversions) and often, but not always, extensions - require planning permission and building regulations consent. These applications provide a clear stage(s) in the development process at which specific energy efficiency standards can be required. Planning controls are however very limited in their ability to control the energy efficiency of the existing housing stock, much of which will have been built when requirements were less stringent. There are no planning mechanisms for influencing the efficiency of 'permitted development' works.
- 4.4 Section 182 of the Planning Act 2008 introduced a duty on local planning authorities to include policies that make a contribution to both climate change mitigation and adaptation in their plans. Provisions in this Act also allow development plan policies to impose reasonable requirements for a proportion of energy used in development in their area to be energy from renewable sources and/or to be low carbon energy from sources in the locality of the development. This sets a clear legal framework for the role of planning and local policy in responding to climate change.
- 4.5 The National Planning Policy Framework (NPPF) sets out the Government's planning policies for England and how these should be applied. Addressing climate change is one of the core land use principles which the NPPF expects to underpin both plan-making and decision-making. These include requirements for local authorities to adopt proactive strategies to mitigate and adapt to climate change in line with the provisions and objectives of the Climate Change Act 2008. The most recent version of the NPPF gives increasing emphasis and weight

to addressing sustainability - with reference to the [United Nations 17 Global Goals for Sustainable Development](#), which include 'climate action' – and continues to require local planning authorities to take a proactive approach to mitigating and adapting to climate change.

- 4.6 In preparing local planning policies, new development should be planned for in ways that 'can help to reduce greenhouse gas emissions, such as through its location, orientation, and design. Any local requirements for the sustainability of buildings should reflect the Government's policy for national technical standards'. When determining planning applications, local planning authorities should expect new development to take account of 'landform, layout, building orientation, massing and landscaping to minimise energy consumption'.
- 4.7 National policy, guidance and regulations have changed significantly since the adoption of Woking's Core Strategy and Climate Change supplementary planning document (SPD). The Secretary of State for Communities and Local Government issued a Ministerial Statement in 2015 that changed and rationalised the way planning policies should seek specific standards in new housing. It removed the Code for Sustainable Homes (CSH) and introduced new optional Buildings Regulations on water and access, and a new national space standard.
- 4.8 A revised NPPF, published in 2018, incorporated the content of the Ministerial Statement with an accompanying government response to the consultation of the draft version. The revised NPPF, which continues to be reflected in the latest version, stated:
- "New development should be planned for in ways that avoid increased vulnerability to the range of impacts arising from climate change...[and] can help to reduce greenhouse gas emissions, such as through its location, orientation, and design. Any local requirements for the sustainability of buildings should reflect the Government's policy for national technical standards".*
- 4.9 The consultation response clarified that local authorities could continue to require energy efficiency standards above the Building Regulations; and in March 2019 the revised, national climate change Planning Practice Guidance (PPG) finally confirmed that energy performance standards for new housing or the adaptation of buildings to provide dwellings could be set higher than 2013 Building Regulations, but only up to the equivalent of Level 4 of the Code for Sustainable Homes (this is approximately 20% above 2013 Building Regulations across the build mix). The PPG confirmed that local planning authorities were not restricted or limited in setting energy performance standards above the Building Regulations for non-housing developments.
- 4.10 A new [National Future Homes Standard](#) is designed to bring about low carbon new build homes. This is being implemented in two phases; firstly, through revised Building Regulations standards to Approved Documents F, L, O and S (FLOS) which came into effect in June 2022 and a further planned increase in June 2025, which will deliver an uplift in energy efficiency standards for new homes and buildings amongst other requirements. More information follows below.
- 4.11 On 15 December 2021, the Government's policy on national technical standards for net zero buildings evolved even further, with the introduction of amended Building Regulations being laid before Parliament alongside new approved documents. These deliver an uplift in energy efficiency standards for new homes and buildings, improved ventilation, and a requirement to mitigate any overheating in residential buildings. At the same time, new electric vehicle (EV) charging point requirements have been published.
- 4.12 All these requirements came into force on 15 June 2022 and are subject to transitional arrangements which mean that, with very limited exceptions for certain of the amendments, if a building notice, initial notice, or full plans for building work were submitted to the local planning authority before 15 June 2022, then provided the building work commences by 15

June 2023, work on that individual building is permitted to continue under the previous standards.

4.13 The following have come into force from 15 June 2022:

- An interim standard for energy efficiency for dwellings requiring a reduction of CO2 emissions by around 30% compared to 2013 Building Regulations standards.
- An interim standard for energy efficiency for new non-domestic buildings designed to deliver a 27% cut to carbon emissions compared to 2013 Building Regulations standards.
- A series of new Approved Documents on fuel conservation for domestic and non-domestic buildings (Part L); on ventilation for domestic and non-domestic buildings (Part F); and on overheating in domestic buildings (Part O).
- A revised package of performance metrics (including a new primary energy target metric, a fabric energy efficiency standard and a CO2 emissions metric) that will ensure a 'fabric first' approach is delivered alongside a low carbon heating system (such as a heat pump or connection to a low carbon heat network).
- A package of measures to improve compliance, reduce the performance gap and provide more information to energy assessors, building control and homeowners.
- In respect of electric vehicles, requirements via amended Building Regulations for installing a specified minimum number of charging points in new buildings with associated parking in England, as well as buildings undergoing a material change of use to residential, or major renovations to buildings where the material change of use or major renovations involve work to a car park (with some exceptions relating to cost caps and insufficient electricity supply).

4.14 As well as setting out measures for the 2021 uplift to the Building Regulations, the Government response to the Future Building Standards consultation also reaffirmed its intention to implement the Future Homes and Future Buildings Standard from 2025. This intends for all future homes and buildings to be 'net zero ready', to become carbon neutral over time as the electricity grid and heat networks decarbonise, and to not need retrofitting.

4.15 These national policy changes (the National Future Homes Standard) will apply to both new dwellings and non-domestic buildings in England, and existing dwellings and non-domestic buildings in England when undertaking specific building works. In practical terms, this means increasing the thermal insulation standard to ensure that when new homes are built, they are provided with an energy source heat pump. The need to mitigate the adverse effects that sealed buildings can create has meant that additional provisions have been made to improve ventilation design to prevent condensation and to limit the effects of overheating in such tightly sealed buildings. Additional shading and orientation to glazing will also be considered at the design stage.

4.16 In the Government's January 2021 response to the consultation on the Future Homes Standard, it also confirmed that it would not amend the Planning & Energy Act 2008, which means that local planning authorities will retain powers to set local energy efficiency standards for new homes. This reflects the Government's belief that as higher levels of energy efficiency standards for new buildings are achieved with interim uplifts to Part L and the Future Homes and Future Buildings Standard, it is less likely that local authorities will need to set local energy efficiency standards to achieve a shared net zero goal.

4.17 In September 2022, then Prime Minister Liz Truss announced a plan to review how the UK's legal target to become a net zero carbon economy by 2050 could be realised in an 'economically-efficient way'. A consultation to inform the Net Zero Review was published 29 September - see [Net Zero Review: Call for evidence](#) - which poses questions for the public as well as businesses and others to consider. The Council responded to the local authority focused questions. The review will report at the end of 2022.

Core Strategy

- 4.18 The [Core Strategy](#) Development Plan Document (DPD, adopted 2012) includes Policy CS22: Sustainable Construction, which sets out energy efficiency requirements for development. The Climate Change Supplementary Planning Document (SPD, 2013) sets out further guidance on the interpretation of these requirements. The requirements include that:
- New development of dwellings would be required to meet the energy and CO2 components of Code for Sustainable Homes Level 5 - on previously developed land, this would be from 1 April 2016, and on greenfield land from 2012.
 - Other new development of 1,000sq.m. or more (gross) floorspace is required to comply with BREEAM very good standards (or any future national equivalent). The Climate Change SPD specifies that this includes development in use class C2: residential institutions.
 - Residential extensions and non-residential development under 1,000sq.m: the Council will encourage proposals to incorporate energy and water efficiency measures. The Climate Change SPD states that 'the Council will require simple, cost-effective energy efficiency and water efficiency measures to be carried out if possible and practical. Investing in these measures will assist in gaining planning permission and can increase the value of the building.'
- 4.19 At the time the policy was adopted, Code for Sustainable Homes (CSH) Level 5 energy efficiency standard was defined by government to be a 'zero carbon development' and addressed only 'regulated' energy – that from heating, fixed lighting, hot water and building services. The meaning of zero carbon has implications for the form of development and its viability. In Woking, Policy CS22 was adopted and tested for viability on the basis of the 'zero carbon' home as defined by the Code for Sustainable Homes and BREEAM standards. This focused only on operational energy and modelled performance in new buildings.
- 4.20 This was considered to be an achievable standard that was intended to be a national requirement via Building Regulations by 2016. However, in 2015, the Government abolished the CSH and introduced policy explaining how councils could not impose standards above a Code Level 4 equivalent.
- 4.21 As a result, the Council published a [Guidance Note](#) requiring residential development to achieve not less than a 19% improvement in Dwelling Emission Rate (DER) over the Target Emission Rate (TER) as defined in Part L1A of the Building Regulations. Approved Document L volume 1 applies to dwellings only.
- 4.22 The Council also encourages proposals for residential extensions that incorporate energy and water efficiency measures.
- 4.23 A review of the Core Strategy will commence in 2023. This is a potential opportunity to increase relevant planning policy requirements, as far as national policy context allows.

Climate Change SPD

- 4.24 The [Climate Change SPD](#) recommends that the energy efficiency standards in Policy CS22 be considered early in the design process, and that a pre-assessment report (showing how the development is capable of achieving a certain rating) should be carried out likewise early in the design process. The pre-assessment report should be submitted preferably alongside the planning application (and would be required at this stage for CSH Level 5). If this is not possible, then the report will be required by a pre-commencement planning condition.
- 4.25 The SPD states that developers should use the energy hierarchy and recommends them to submit an Energy Statement showing how they meet the requirements. It states that they should carry out a Climate Neutral Checklist.

4.26 The SPD sets out actions to be taken at different stages of the planning application process, as follows:

- Pre application: consult with a CSH/BREEAM accredited body on design; register the development with them.
- Planning application/condition stage: submit Climate Neutral Checklist, CSH/BREEAM pre-assessment report, and Energy Statement (if applicable) to the Council.
- Before occupation: provide the Council with BREEAM or CSH post-construction certificate, and a statement detailing any residual carbon emissions and the total amount to be contributed to WBC's Carbon Offset Fund.

4.27 The SPD sets out criteria for dealing with viability assessments where a developer seeks to show that it is not viable to meet the requirements of Policy CS22. As a last resort, if Policy CS22 cannot be met, the SPD states that the Council will require financial contributions towards energy, CO2 and water saving projects elsewhere in the borough. It was said that the Council would set up a carbon offset fund and publish a list of relevant projects.

Guidance Note for the Implementation of Policies in the Core Strategy following the Housing Standards Review

4.28 The Guidance Note recognised that the Core Strategy policy of zero carbon homes (Code for Sustainable Homes level 5) was no longer compatible with Government policy and requires that 'All new residential development ... achieve not less than a 19% improvement in the Dwelling Emission Rate (DER) over the Target Emission Rate (TER) as defined in Part L1A of the 2013 Building Regulations.' This is equivalent to the emissions rates in Code for Sustainable Homes level 4.

4.29 Alongside this new standard, the Guidance Note includes:

- Re-iteration of the Energy Hierarchy.
- Strong encouragement for evidence of meeting the requirement (in the form of a Design Stage Standard Assessment Procedure (SAP) worksheet and method statement) to be submitted at planning application validation stage; or failing that it will be required through a pre-commencement condition. (SAP is the methodology used by the government to assess and compare the energy and environmental performance of dwellings).
- Requirement for an as-built SAP worksheet as a pre-occupation condition.
- Energy statements continue to be required.
- All other elements of Policy CS22 remain as previous.

Implementation

4.30 With respect to current implementation, the planning policy for residential developments of a 19% improvement on 2013 building regulations Target Emission Rate (TER) is being implemented by Planning Development Management officers. The issue is very largely dealt with through planning conditions rather than at the planning application stage, but officers consider application of the policy is going smoothly.

4.31 The standard planning conditions read:

1. *Prior to the commencement of any above ground works in connection with the development hereby permitted (excluding demolition), written evidence shall be submitted to and approved in writing by the Local Planning Authority (LPA) demonstrating that the development will:*
 - a. *Achieve a minimum of a 19% improvement in the dwelling emission rate over the target emission rate, as defined in the Building Regulations for England Approved Document L1A: Conservation of Fuel and Power in New Dwellings (2013 edition).*

Such evidence shall be in the form of a Design Stage Standard Assessment Procedure (SAP) Assessment, produced by an accredited energy assessor; and,

- b. Achieve a maximum water use of no more than 110 litres per person per day as defined in paragraph 36(2b) of the Building Regulations 2010 (as amended), measured in accordance with the methodology set out in Approved Document G (2015 edition).*

Such evidence shall be in the form of a Design Stage water efficiency calculator. Development shall be carried out wholly in accordance with the agreed details and maintained as such in perpetuity unless otherwise agreed in writing by the LPA. Reason: To ensure that the development achieves a high standard of sustainability and makes efficient use of resources and to comply with policy CS22 of the Woking Core Strategy 2012.

2. *The development hereby permitted shall not be occupied until written documentary evidence has been submitted to and approved in writing by the Local Planning Authority demonstrating that the development has:*

- a. Achieved a minimum of a 19% improvement in the dwelling emission rate over the target emission rate, as defined in the Building Regulations for England Approved Document L1A: Conservation of Fuel and Power in New Dwellings (2013 edition). Such evidence shall be in the form of an As Built Standard Assessment Procedure (SAP) Assessment, produced by an accredited energy assessor; and*

- b. Achieved a maximum water use of 110 litres per person per day as defined in paragraph 36(2b) of the Building Regulations 2010 (as amended). Such evidence shall be in the form of the notice given under Regulation 37 of the Building Regulations. Development shall be carried out wholly in accordance with the agreed details and maintained as such in perpetuity unless otherwise agreed in writing by the LPA.*

Reason: To ensure that the development achieves a high standard of sustainability and makes efficient use of resources.

4.32 Development Management officers are aware of a need to amend these standard conditions to bring them into line with the new Building Regulations, that is a 30% improvement on 2013 Building Regs standards, rather than 19%.

4.33 One problem that has been identified with implementation is that, when planning appeals are granted, Planning Inspectors tend to be reluctant to impose this standard condition. They seem to prefer to take the position that this issue is dealt with through Building Regulations. This issue might be improved by the adoption of an up to date Climate Change SPD.

4.34 The Climate Change SPD is currently under review. Additional measures will be considered as part of this review. It is expected that the SPD will cover details on how to minimise energy and water consumption, use of energy efficient technologies, design and construction, electric vehicle charging points and more. Consultants are working on this and due to produce a draft for review by the Local Development Framework Working Group this winter. The document is then intended to be taken to the Executive in March 2023 and subsequent public consultation.

4.35 The updated SPD will support the delivery of the Town Centre Masterplan in achieving its sustainable construction objectives; mitigation/adaptation measures for Woking Town Centre to contribute towards meeting net zero by 2050.

Climate Change Strategy

4.36 [Woking 2050](#) is our current climate change strategy, adopted in 2015. This sets out a vision guiding our collective efforts to create a sustainable borough by reducing our impact on the environment through:

- Protecting and enhancing its high-quality natural environment.
- Using resources wisely and conserving biodiversity.
- A built environment that is developed sustainably, which meets local needs and enables the local economy to prosper.
- Recognising, preparing, and adapting to the socio-economic environmental and demographic changes that the future will bring.

4.37 Further to Woking Borough Council's climate and ecological emergency declaration, the Council pledged to become carbon neutral by 2030 across its own estate and operations. The resultant [Climate Emergency Action Plan \(CEAP\)](#) includes measures that will reduce (and eventually eliminate) the Council's carbon footprint. Priority actions include those that look to reduce emissions associated with energy used across the Council's estate – the largest contributor to the corporate carbon footprint. However, the declaration goes beyond this and seeks borough wide carbon neutrality by 2050 at the latest.

4.38 Improving energy efficiency, by reducing the amount of energy that the Council and the borough's households and businesses need, is a priority objective of Woking 2050 and the CEAP and will assist in achieving borough wide emissions reductions.

4.39 The CEAP identifies actions to improve energy efficiency in Council owned and private sector housing such as:

- Continue to work with Action Surrey to help homeowners make their homes more energy and water efficient.
- Continue to work with ThamesWey and partners to identify how net energy usage of our housing stock can be further reduced.
- Address affordable warmth in our partnership work with Action Surrey.
- Continue to enhance energy efficiency and improve energy performance across Council owned and leased properties.
- Woking to lead by example in its requirements for new homes and those built on Council owned land.

4.40 Domestic electricity and gas use in Woking account for 34.5% of the borough footprint.

	Public Sector Electricity	Public Sector Gas	Domestic Electricity	Domestic Gas	Grand Total
2018	4.4	9.3	43.4	108.3	477.1
2019	4.1	9.3	38.8	106.7	455.5
2020	3	9.8	37.1	105.9	414.6
% of total	0.7	2.4	8.9	25.5	

Source: figures taken from BEIS dataset - Local Authority territorial greenhouse gas emissions estimates, 2005-2020 (kt CO₂e).

- 4.41 Reducing domestic energy consumption and improving energy efficiency therefore plays a key part in our climate strategy and actions.
- 4.42 A review of Woking 2050 is currently in progress. This will be reviewed by the Greener Woking Working Group this winter. Reports will be brought to the Overview and Scrutiny Committee and then to the Executive in March 2023 regarding the strategy review.
- 4.43 Improving domestic energy efficiency will continue to be a priority for the new strategy in achieving area wide carbon reductions.

5.0 Local delivery

- 5.1 The Council provides a wide-ranging portfolio of public services to residents, which directly influence or are themselves influenced by energy efficiency standards. Architects, planning agents and developers similarly play a significant role by bringing forward quality residential development, which contributes to our local stock of energy efficient homes.
- 5.2 This section provides an overview of how energy efficiency standards are being delivered and supported locally by key providers, through new developments, regulatory roles and other means.

Private developments

- 5.3 All new homes granted planning permission in the borough are assessed against and confirmed to comply with the policy requirement to achieve an uplift of 19% on the minimum carbon emissions standards laid out in Approved Document L of the Building Regulations.
- 5.4 Since the end of Code for Sustainable Homes, EPC lodgements on the energy performance certificate register provide a further measure of property efficiency. These feed into the Government [dashboard](#) (search using the Energy Efficiency: EER option).
- 5.5 The majority of EPCs are lodged for existing dwellings rather than new dwellings. The numbers of EPCs lodged for new dwellings do not match up with the number of new dwellings as monitored by the Council. This is because multiple EPCs may be lodged for the same property, skewing the figures. Notwithstanding this, the dashboard data allows a comparison to be made between the ratings for existing and new dwellings.
- 5.6 EPC ratings range from A (most efficient) to G (least efficient) in terms of their likely fuel costs and carbon emissions. The data for Woking shows that a majority of EPCs lodged for new dwellings are band B certificates. 95% of EPCs lodged in Woking for new dwellings achieve an EPC rating of C or higher, which is equivalent to the average for England and Wales.
- 5.7 This compares with 46% of EPCs lodged in Woking for all dwellings (existing and new) achieving an EPC rating of C or higher. This is higher than the 40% average for England and Wales. The UK's housing stock is the oldest and least energy-efficient in Europe; more than half of it was built before 1965, and 20% before 1919.
- 5.8 The views of architects, planning agents and developers working in the Woking area have also been sought to inform this report. This research was carried out by sending direct requests to those leading key current medium and large-scale development proposals and to the Surrey Development Forum (a privately funded membership body led by developers), and a wider questionnaire was circulated to all members of the Woking Agents' Forum.
- 5.9 Appendix 1 sets out the questions asked, and the comments received in response to date. The responding developer is committed to going further than minimum sustainability requirements.

WBC Housing Standards - Private Rented Sector

- 5.10 The Minimum Energy Efficiency Standards in the Private Rented Sector (MEES) regulations establish a minimum level of energy efficiency for privately rented property in England and Wales. Landlords of privately rented domestic properties must ensure that their properties reach at least an Energy Performance Certificate (EPC) rating of E. From April 2018 landlords were required to respond to the regulations for new, renewed, and extended tenancies only. From April 2020 this has been extended to all tenancies. Exemptions are available for reasons related to the costs incurred by landlords, no relevant improvements being feasible, and other barriers outside of the landlord's control.
- 5.11 The Government is committed to a long-term trajectory to improve the energy performance standards of privately rented homes in England and Wales, with the aim for as many of them as possible to be upgraded to EPC Band C by 2030, where practical, cost-effective, and affordable. It is exploring policy design options with a view to a future consultation. A consultation was run in 2020 on proposals to strengthen the minimum standard to an EPC of Band C by 2028.
- 5.12 In this context the Borough Council has been and continues to utilise external funding to support the improvement of energy efficiency of rented homes in the private sector. The Housing Standards team secured government funding in 2020/21 to promote and enforce the MEES regulations locally. The funding was extended to 30 September 2022 due to delays caused by the pandemic.
- 5.13 The team targeted private landlords with an EPC below E and gave advice on how to improve the properties to raise them to a minimum E rating. During the project around 90 non-compliant properties were improved to EPC E and 4 compliance notices were sent. To date just under 750 landlords have been given information around MEES and how to improve their property.
- 5.14 Following the end of the funded period, raising awareness of and ensuring private rented properties meet the MEES requirements is now incorporated into the day-to-day activities for Housing Standards.
- 5.15 The Council's Let's Rent service, which is used to prevent homelessness and has over 400 private rented properties, must also all meet the MEES standards to join this service.

WBC Housing - Housing stock

- 5.16 The Council currently allocates a budget of approximately £3,700,000 per annum for planned maintenance, improvements, and major works to its housing stock. This equates to £1,117.48 for each Housing Revenue Account (HRA) owned Council property.
- 5.17 Within that annual budget, the Council has statutory obligations and strategic priorities that it must fulfil. These include:
- Undertaking works to conform with new legislation - as an example, this financial year the Council has had to ensure that all properties on communal heating systems (approximately 700 properties) have accurate heating and hot water consumption devices installed. This has been at a cost close to £250,000.
 - Refurbishments to property components to comply with the Decent Homes Standard (applicable to the social rented properties) such as:
 - Replacement kitchens
 - Replacement bathrooms
 - Upgraded doors and windows
 - Roof replacements
 - Central heating upgrades
 - Communal heating upgrades

Energy Efficiency

- Remedial works to facilities such as passenger lifts, emergency lighting, water systems, etc.
 - Fire Safety works
 - Adaptations to properties to accommodate resident disabilities
 - Major refurbishments to blocks
 - Energy efficiency improvements
- 5.18 The average saving for the properties that received energy efficiency improvements between 2015 and 2017 was 2.2 tonnes of CO₂ and £536 per year. In the context of rising energy prices, the savings for householders from these improvements will be increasing in value over time.
- 5.19 The available budget compared to the obligations and priorities of the Council do not balance and as such, the Council will need to attract external funding that directly relates to energy efficiency improvements.
- 5.20 The Council has previously had success in applying for external funding, with over £100,000 awarded by the Government in 2015 to fund a programme of external wall insulation works. Recent government schemes such as the Green Homes Grant Local Authority Delivery (LAD) scheme and the Social Housing Decarbonisation Fund, however, have more complex requirements (particularly in the field of data submission and calculating emissions), not all of which the Council can satisfy on its own (as we do not yet have suitable software for storing and assessing energy data). The Council also has a current shortage of expertise in this area, which would compromise the quality of any written submission.
- 5.21 The Council has taken some positive steps to be ready for future bidding, with now 98% of the Council's housing stock having a valid EPC, which is a standard pre-requisite for applying for such funding.
- 5.22 The Council has also been successful in individual cases, such as acquiring a property for a strategic tenancy change, which was then refurbished to be fully solar thermal powered. These individual cases are self-funded, which is not sustainable in the long-term.
- 5.23 The Council needs to invest in new technology and software (estimated costs at least £60,000) to be able to store and interrogate the EPC data that it holds for the housing stock, as well as investing in either specialist staff or partners that can lead on the submission of funding bids. This short-term investment can set the Council up for long term success in winning funding bids, which can then be put directly to use to fund energy efficiency improvements to the Council's housing stock.
- 5.24 Whilst the Borough Council has not submitted an individual bid to the Social Housing Decarbonisation Fund this autumn, at the time of writing the potential for a countywide consortium bid is being explored within Surrey.

WBC Property

- 5.25 Hale End Court extra care, opened in November 2021, is a unique housing scheme designed to meet the needs of frail or vulnerable people living in Woking. Located in Old Woking, the scheme offers onsite care to help people with additional support needs to remain as independent as possible. The development achieved a BREEAM 'Excellent' sustainability performance rating, equivalent to the top 10% of UK new non-domestic buildings (best practice). The building won the "Building project of the year over £10m" at the South East Construction Building Excellence (SECBE) awards, and is a regional winner and is a shortlisted finalist for the LABC (Local Authority Building Control) Grand Finals in January 2023.

ThamesWey

- 5.26 ThamesWey has a long history of work in both the energy and housing fields. Set up in 1999 as a public-private joint venture to spearhead delivery of the Council's ambition to meet the UK's 2050 carbon reduction targets, in 2005 Woking Borough Homes Limited was established (later renamed ThamesWey Housing) in support of Woking Borough Council's Housing Strategy. The main objectives of ThamesWey's housing division include to 'provide well-designed, quality homes that are affordable and suit people's needs'.
- 5.27 ThamesWey has run energy efficiency programmes in the past for its tenants and in 2008 opened the temporary low carbon demonstration home Oak Tree House, which showcased energy efficiency, renewable technology and water saving improvements such as solar hot water panels and rainwater harvesting.
- 5.28 In terms of its current approach, ThamesWey takes a 'fabric first' approach when bringing forward new residential development, with the highest standards for thermal efficiency, as far as practical and within agreed project budgets. Then, solar photovoltaic provision is maximised on all sites. For individual houses of three bedrooms and over, solar thermal is also included as standard. In higher density developments, heating is provided by low carbon heat networks. For individual houses, heat pumps are utilised (this is not yet mandated by building regulations).
- 5.29 Whilst ThamesWey project manages developments on behalf of the Council, the design for those is not within ThamesWey's remit. It does have design remit over most of its other developments, such as the Sheerwater regeneration. Looking to the future, natural ventilation, overheating, cooling and embodied carbon will be examined more closely.
- 5.30 Regarding retrofitting existing residential buildings, ThamesWey Housing targets a minimum EPC rating of C. The same themes of maximising fabric thermal performance, maximising solar photovoltaics and solar thermal for three-bedroom homes, are followed. Lighting is always upgraded to LED in all areas, high-efficiency appliances are installed, lofts and walls insulated, and heating systems improved. These intensive retrofits are taken at appropriate intervals when properties need significant improvement anyway, for example new on-street acquisitions of homes in poor condition or major relet opportunities. In general, retrofits are more difficult to improve to the same standard as new build developments can achieve, whilst maintaining cost-effectiveness and delivering high-quality living spaces. Heat pumps are beginning to be replaced as the default heating system.
- 5.31 ThamesWey's [Action Surrey](#) project, an impartial energy advice centre, has provided independent energy efficiency advice to Surrey residents and businesses for 10 years. The website is regularly updated with the latest information and advice, whilst support is also available via a freephone telephone number or email.
- 5.32 The Action Surrey team has also delivered the largest domestic retrofit projects in Surrey for low-income households, installing nearly 1,000 energy efficiency improvements in over 700 homes, in the past two years alone. Recent projects include Green Jump Surrey, Solar Together and Sustainable Warmth. Future projects, including the latest Sustainable Warmth grant scheme - launched on 3 October; see [New grant funding to help heat your home for less](#) - will build on this momentum to upgrade a further 1,100 homes. The average saving achieved is £660 per household and 1400kg CO₂e per year per household.
- 5.33 Guidance and research are also carried out to support advice for other demographics, such as the guidance produced this year for how existing homes could target Passivhaus standards of energy efficiency in a retrofit residential scenario. Various methods of creating low-carbon, energy efficient homes have been developed in recent years, the Passivhaus standard is one of the most well-regarded solutions, with a growing portfolio of successful projects. It is often cited that to develop low-carbon homes the priority should be on the Passivhaus standard

approach of 'fabric-first', focusing on saving energy, before generating 'clean' energy. This approach can also be applied when retrofitting properties, with other approaches being whole-house or technology led. This project explored the details and specifications on how best to approach retrofitting to maximise the potential benefits. For more information see [PassivhausReport.pdf \(actionsurrey.org\)](#)

- 5.34 Current challenges to further improving the sustainability of properties include:
- 5.35 The transition away from gas boilers, which may require asset replacements before end of life to meet 2030 targets, so advanced and usually increased investment is needed. This is applicable across tenures/stakeholders.
- 5.36 More detailed challenges exist around new building regulation standards (Part L) on thermal/cold bridging, costing time and money on additional designs to prove compliance.
- 5.37 Other recent and future planned improvements and actions around on this topic include contributing to the Council's cost of living partnership working, communicating living greener and cheaper tips, further external funding applications and delivery, and policy updates. For example, ThamesWey contributed towards the Woking Great Big Green Week in September through the Sustainable Warmth project, through which grants of up to £25,000 are available for eligible Surrey residents to help make their homes warmer and more energy efficient.

WBC Green Infrastructure

- 5.38 The Council publishes regular [sustainability data](#). These include a Greenhouse gas emissions (GHG) from our own buildings and operations and Display Energy Certificates. The Council is also legally required to report on progress under the Home Energy Conservation Act 1995 (HECA) every two years. This legislation is focused on improving the energy efficiency of residential accommodation. The latest HECA report was submitted to government in May 2021 (available via the link above).
- 5.39 Beyond this, the Green Infrastructure team's work in this area largely focuses on signposting to help for householders available through others, via the Planet Woking communications channels. Recent articles have included: [Action Surrey Community Blog - Action Surrey](#), [Energy advice for your home - Energy Saving Trust](#), and [Make sure your home is energy efficient - Citizens Advice](#).

Surrey county

- 5.40 Surrey County Council's (SCC) [Greener Futures Climate Change Delivery Plan](#) (2021- 2025) sets out how the public sector, businesses, residents and communities can work together to achieve the county's net zero targets.
- 5.41 One of the Plan's four delivery programmes is 'Greener Futures Communities', acknowledging that 95% of Surrey's carbon emissions are generated from the county's 1.2 million residents and 65,000 businesses. A number of the actions within this programme highlight the need for improved household energy efficiency and help for those in fuel poverty. See [Greener futures climate change delivery plan 2021 to 2025 - Surrey County Council \(surreycc.gov.uk\)](#)
- 5.42 Following the success of the Green Jump Surrey project, Action Surrey delivered further fully funded energy efficiency measures under the Government's Sustainable Warmth scheme (also known as LAD2) for eligible households across the county. The scheme launched mid-February with measures to be completed by the end of September 2022. A total of 222 measures are approved for installation, at a value of £1,124,155.
- 5.43 As noted above, Action Surrey was successful in its tender for SCC's Sustainable Warmth contract for the county to deliver £12.2 million funding for household energy efficiency

improvements under the forthcoming third wave of Sustainable Warmth funding (also known as LAD3 and HUG). The contract will enable further implementation of energy efficiency measures to benefit low-income households and those in fuel poverty while also incorporating other potential decarbonisation and renewables projects.

6.0 A citizens' panel on home energy decarbonisation

- 6.1 A recent collaboration between Lancaster University and the Climate Change Committee, brought together a citizens' panel to develop policies to support UK owner-occupiers to decarbonise their homes in line with the UK's statutory target of net zero emissions by 2050. The report, published in September 2022, seeks to inform government of the policies, support and incentives homeowners need to bring down emissions and save money on energy bills.
- 6.2 Whilst the research was broader than the scope of this report – its guiding question was “What needs to happen to bring home energy use in line with the need to tackle climate change?” – many of its findings are relevant to considering what more we can do to drive domestic energy efficiency in the borough.
- 6.3 A key finding was that homeowners want to do the right thing and are open to making changes - if they are offered the right levels of support.
- 6.4 The citizen panel designed a package of support that covers the full 'homeowner lifecycle' – from buying, renovating, and living in homes. As well as calls for new legislation to steer away from gas boilers and national awareness campaigns, the citizen-designed incentives include:
- Stamp duty being determined by how energy efficient the home is.
 - A logbook for every home outlining previous energy improvements made and what else is needed in future.
 - Low or no interest loans for energy-efficient improvements.
 - Energy improvement score incentives (like credit ratings) aligned to reduced mortgage rates.
- 6.5 The research also highlighted that:
- 'Concern about climate change is high, but awareness of the changes homeowners need to make is low.
 - Bespoke, trusted information is vital. People should understand what they need to do to their homes, and what the costs and benefits will be. Generic advice won't work.
 - Some financial support will be required even for households not in fuel poverty. Low interest loans and grants for example, targeting poorly performing homes.
 - The stop-start approach to home energy decarbonisation has reduced trust.
 - Some people have concerns and questions about heat pumps – especially those in flats or small homes.
 - Support and incentives are needed at important intervention points and a range of schemes should be available.
 - Incentives alone will not bring about change. Regulation is also needed to move away from gas boilers.
 - There is limited understanding of alternative energy tariffs and business models'.
- 6.6 The full report is available at: <https://climatecitizens.org.uk/wp-content/uploads/2022/09/Lancaster-University.-2022.-Addressing-emission-from-owner-occupied-homes.pdf>

7.0 Opportunities and challenges

7.1 In addition to continuing the wide-ranging areas of action detailed above, further opportunities for energy efficiency might or will come forward in the future through:

- The National Future Homes Standard's further planned increase in June 2025.
- The challenge for local planning policy is ensuring the conditions of development are met so that planning is used as a platform to meet borough wide net-zero goals, maximising the energy efficiency whilst minimising carbon emissions of residential development.
- Developing Planning Development Management standard conditions in line with Building Regulations.
- Incorporating additional measures for energy efficiency in the Climate Change Strategy and SPD reviews in progress now, taking into account the latest best practice.
- Continuing to prepare bids for external funding opportunities that directly relate to energy efficiency improvements. Further investment in new technology and software may be necessary.

7.2 A key further current challenge to achieving improvements in domestic energy efficiency are the costs for homeowners (and developers, see Appendix 1) – to get work done as the cost of materials is constantly fluctuating. This is also exacerbated by a skills shortage, both to do jobs and transport the materials across the country.

7.3 The Overview and Scrutiny Committee are advised that any further practical steps which it wishes to be considered in more detail can be referred to Council's Greener Woking Working Group.

8.0 Corporate Strategy

8.1 All Council support for energy efficiency improvements in residential properties contributes to several key corporate objectives, including effective use of resources, engaging our communities, supporting resident's quality of life, sustainable development, and a strong economy. It also contributes to 'work with partners to continue to deliver household energy efficiency improvements and tackle fuel poverty' and 'continue delivery of fully funded energy efficiency improvements for eligible households via Action Surrey'.

9.0 Implications

Finance and Risk

9.1 There are no finance or risk implications associated with this report, however individual projects covered will have been or will be subject to their own finance and risk assessments.

Equalities and Human Resources

9.2 There are no equalities or human resources implications associated with this report.

Legal

9.3 There are no legal implications associated with this report.

10.0 Engagement and Consultation

10.1 This report has been informed by input from multiple teams of the Council and the views of responding organisations delivering new homes in Woking borough.

REPORT ENDS