Warwickshire County Council Response to Warwick District Council's Zero Net Carbon DPD Consultation.

1. Warwickshire County Council: Ecology, Historic Environment & Landscape (WCC EHEL) Comments

General Comments

WCC EHEL welcomes this document as a significant step towards the Environmental Net Gain objectives of the NPPF. EHEL comments are primarily addressed to Chapter 8 Carbon Offsetting, However, a general comment would be a reference to ensure that planning applications that include net carbon zero solutions must be sympathetic and sensitive to the Historic Environment and its setting and the landscape into which the application resides.

The Council may also wish to define 'local'. This was queried regarding offsetting biodiversity at a public inquiry and a precedent was set to accept Warwickshire as 'local' due to the existence of the Warwickshire, Coventry & Solihull Green Infrastructure Strategy and its use as an evidence-based document in policy formation. Ecosystem Services are part of this strategy; however, it may need to be revised to cover this net zero approach, especially if other Local Planning Authorities adopt a similar approach. CSWAPO 'owns' this document, albeit prepared by the County so may wish to have it refreshed, subject to resources.

Specific Comments and Recommendations

Chapter 8 essentially lays out options available to an applicant that results in a residual loss once an assessment has been made. These options being:

1) a cash in lieu contribution to the District Council's carbon offsetting fund
   or
2) at the Council's discretion, a verified local off-site offsetting scheme, provided that the scheme is properly quantified and is verified by the Warwickshire County Council's Ecology team. The delivery of any such scheme must be local and guaranteed.

With contributions being secured through Section 106 agreements once it has been demonstrated that every reasonable solution has been explored to reach a net zero carbon development, i.e. a final resort. The County welcomes this mitigation hierarchy approach.

WCC EHEL welcomes the ability to offset carbon through nature-based solutions. However, in this instance it is not the intention for WCC EHEL to administer ('quantify and verify') schemes. The reason being that there are already schemes in place around carbon, such as the Forestry Commission Woodland Carbon Code. WCC EHEL will be preparing a 'Stacking and Bundling' protocol this year. This Warwickshire protocol will outline how Ecosystem Market credits (currently carbon and Biodiversity Net Gain) are to be traded to ensure that Natural Capital is not undervalued by providers overselling a resource. It is recommended that this is referred to within this policy noting that it is still in production. WCC EHEL supports that the offset must be local and guaranteed.

Thus, a suggested alteration would be

2) at the Council's discretion, a verified local off-site offsetting scheme. The delivery of any such scheme must be local, guaranteed and meet the Warwickshire ecosystem service market trading protocol or such protocols endorse by government.

With this alteration in mind supporting text comments would be:

8.1 **Recommendation**: remove or reference the sentence "It has been estimated that it would take the planting of 160 trees to offset a 4 tonne carbon footprint" as it does not add to the understanding of this paragraph and sets a target that may not be consistent with the Woodland Carbon Code or other verified carbon calculators. Additionally, other carbon sequestration models may enter the market as suitable offsetting mechanism. e.g. unimproved meadow creation or hedgerow carbon capture.

8.2 This paragraph sets out how carbon will be measured and if there is a need to compensate a carbon impact. However, it then moves directly to how a contribution will be calculated. It is suggested that the two options to compensate needs to be referred to before the last sentence

Recommendation:

The Council may wish to alter this paragraph to say:

8.2 Using the most up to date Standard Assessment Procedure (SAP), planning applications will be required to set out in full the anticipated annual operational carbon emissions from the development for each of the 30 years after completion. The sum of this will be the amount of carbon to be offset over the 30 year building life. ~~The resulting financial contribution will be calculated as follows:~~ ***Any residual offset can be compensated by two mechanisms***

- ***make a financial contribution to the council, and/or***
- ***make a financial contribution to an off-site carbon reduction or carbon sequestration scheme.***

~~8.2.1 The estimated amount of residual CO2 emissions from the development over 30 years from the completion of the development, multiplied by the average carbon market price per tonne for the 12-month period preceding the completion of the development.~~

~~8.2.2 The average carbon market price shall be determined from the Carbon Emissions Allowance from the European Union Emissions Trading Scheme (unless replaced by UK adopted equivalent which will then apply).~~

8.2.2 This paragraph is establishing a tariff. It is assumed that this tariff will set the cost per tonne (or equivalent) for option 1) the payment to the District Council. The question here is will this be enough to pay for District schemes that deliver enough carbon reduction to compensate for the residual carbon from the development. By setting a tariff one needs to be certain that the contribution may/will

- deliver net zero from the development it has been accrued from,
- cover all costs to administer a service that will bring carbon schemes forward into fruition
- cover 'insurance' just in case a scheme does not achieve the required carbon reduction/sequestration
- not be too high that it will never be enacted or affect the viability of the application
- not be too low that it becomes the only option available and undervalues other schemes (such as option 2)

The proposed tariff is to take the "average carbon market price shall be determined from the Carbon Emissions Allowance from the European Union Emissions Trading Scheme (unless replaced by UK adopted equivalent which will then apply)". This is currently EUR56.27 (https://ember-climate.org/data/carbon-price-viewer/) this is equivalent to GBP48.23 on August 26th, 2021. Incidentally the UKA (UK ETS) Future Prices is GBP49.20 (https://ember-climate.org/data/carbon-

price-viewer/) on August 26th, 2021. Is this enough to deliver the schemes through option 1); 'contribution to the District Council's carbon offsetting fund'? as well as cover the costs of administrating the fund.

Another consideration to establishing a tariff is that it sets a cost of carbon within Warwickshire. In this instance the cost would be £48.23 per tonne. Therefore, any carbon scheme that may come forward within option 2) will need to offer carbon reduction or capture schemes below this figure. Thus, the Council will be establishing a maximum Warwickshire carbon price. The Council may wish to set this tariff above the average until the Warwickshire carbon price establishes; should the objective of the first option be to establish a Warwickshire Carbon Market then the Council may wish to consider a multiplier of x1.5. For example:

The average carbon market price shall be determined from the Carbon Emissions Allowance from the European Union Emissions Trading Scheme (unless replaced by UK adopted equivalent which will then apply) ***multiplied by 1.5***.

This does not mean that WDC will not acquire funds to deliver its own scheme but means that WDC will be able to deliver its schemes through both options. In other words, WDC may wish to present its own local schemes under option 2). This is how the County now operates its portfolio of Biodiversity Net Gain offset sites.

Recommendation: That 8.2.2 fixes the 'capped' amount of any contribution at the average carbon market price shall be determined from the Carbon Emissions Allowance from the European Union Emissions Trading Scheme (unless replaced by UK adopted equivalent which will then apply).

8.3 This paragraph explains how new development is expected to be zero-carbon and mechanisms of evaluating this. It could be suggested that this continues the philosophies and accounting mechanisms in paragraphs 8.1 and 8.2 and it could be that paragraph 8.3 could be is incorporated into paragraphs 8.1 and 8.2. This may help the reader to navigate through the process of intention (net zero), calculation (SAP or best estimate), compensation (contributions).

8.4 This paragraph lays out how contributions will be collected and what it is to be allocated to. It also described other acceptable mechanisms to offset impacts.

Based on the previous recommendations, an applicant knows the maximum 'capped' amount that WDC is likely to ask for and can look to apply at the time of land acquisition. At commencement of development the developer can then look to the two options and either a) pay the contribution or b) buy carbon from a verified local off-site offsetting scheme. The latter could be a WDC, WCC or other schemes which could be cheaper or indeed more expensive than the 'capped' amount. In this way an open market can be established into which WDC carbon reducing/ sequestration or other such schemes can vie for the funding. The question is who verifies these schemes. For woodland carbon sequestration offsets, it is suggested that any scheme must meet the Woodland Carbon Code standards as a minimum. Unfortunately, I do not know any carbon reduction best practice standards.

Recommendation: That 8.4 could read:

Where a financial contribution to the Council is the preferred approach to offset carbon, ~~Offset~~ ***offset*** contributions will be paid into the Council's Carbon Offset Fund and ring-fenced for off-site carbon reduction projects.

Where a financial contribution is made to an off-site carbon reduction or carbon sequestration scheme it will be at the Council's discretion ***and~~, may~~*** support a verified local off-site offsetting scheme, provided that such a proposal ~~is properly researched/quantified~~ ***meets carbon reduction or carbon sequestration industry best practice standards that are comparatively measured in carbon tonnage as of the SAP or an approved model***. ~~In the event that Warwickshire County Council or Warwick District Council operate a local carbon~~ ***sequestration*** ~~market that gives value to the growth and enhancement of local natural assets, this will be the preferred scheme. Any other scheme will be referred to the Warwickshire County Council's Ecology team for verification~~ ***All offset sequestration schemes*** ~~Its~~ delivery must be local ~~and must be guaranteed~~***, guaranteed and meet the Warwickshire ecosystem service market trading protocol or such protocols endorse by government***..

8.5 – 8.6 This paragraph lays out how the Council monitors its s106 contributions

To assist in bringing together the above recommendations the Council may wish to use the suggest revision of Chapter 7.

Suggested wording

Policy NZC2(D): Carbon Offsetting

Where a development proposal cannot demonstrate that it is net zero carbon at the point of determination of planning permission, it will be required to address any residual carbon emissions by:

1) a cash in lieu contribution to the District Council's carbon offsetting fund

and/or

2) at the Council's discretion, a verified local off-site offsetting scheme~~, provided that the scheme is properly quantified and is verified by the Warwickshire County Council's Ecology team. The delivery of any such scheme must be local and guaranteed.~~ The delivery of any such scheme must be local ~~and guaranteed~~***, guaranteed and meet the Warwickshire ecosystem service market trading protocol or such protocols endorse by government***.

Contributions to an offsetting scheme shall be secured through Section 106 Agreements. The Council will maintain Supplementary Planning Guidance setting out how contributions will be utilised.

Developers will be expected to set out and evidence anticipated carbon emissions for developments taking account of emissions during the operational/occupied phase of the building's life and during demolition if it is reasonable to expect this to occur within 30 years. In determining the level of the development's carbon emissions assessments should consider all emissions that will occur within 30 years of completion.

Where "zero-carbon ready" technology is incorporated within the building, associated carbon emissions will be calculated in accordance with the stated national trajectories for the carbon reduction of the relevant energy sources.

Where the SAP undertaken at completion shows that there is a performance gap between the design and the performance of the completed building, carbon offsetting contributions will be required to reflect any associated additional carbon emissions not accounted for at the point of determination of the planning application.

8.1 Offsetting should only be used where a developer has maximised carbon reductions through applying NZC2(A) and NZC2(B). Offsetting will only be acceptable where it is demonstrated that it is the only option available to enable necessary development to be brought forward. As such the Council considers offsetting to be an option of final resort. ~~It has been estimated that it would take the planting of 160 trees to offset a 4 tonne carbon footprint.~~

8.2 Using the most up to date Standard Assessment Procedure (SAP), planning applications will be required to set out in full the anticipated annual operational carbon emissions from the development for each of the 30 years after completion. ***Where "zero-carbon ready" technology is incorporated within the development, associated carbon emissions will be calculated in accordance with the stated national trajectories for the carbon reduction of the relevant energy sources. As an example, if an electrical heating system based on supply from the national grid is utilised, the calculation of carbon emissions associated with this will be based on any published national government carbon reduction targets (including where possible a reduction trajectory) for the electricity grid. Where there are no published government targets, existing levels of carbon will be assumed unless robust evidence can be provided regarding future decarbonisation of the energy source.*** The sum of ~~this~~ ***SAP and/or other accepted model*** will be the amount of carbon to be offset over the 30 year building life. ***Any residual offset can be compensated by two mechanisms***

- ***make a financial contribution to the council, and/or***
- ***make a financial contribution to an off-site carbon reduction or carbon sequestration scheme.***

~~8.3 The resulting financial contribution will be calculated as follows:~~

~~8.2.1 The estimated amount of residual CO2 emissions from the development over 30 years from the completion of the development, multiplied by the average carbon market price per tonne for the 12-month period preceding the completion of the development.~~

~~8.2.2 The average carbon market price shall be determined from the Carbon Emissions Allowance from the European Union Emissions Trading Scheme (unless replaced by UK adopted equivalent which will then apply).~~

~~8.3 New development is expected to get as close as possible to zero-carbon on-site through fabric performance and the inclusion of renewable energy. Where "zero-carbon ready" technology is incorporated within the development, associated carbon emissions will be calculated in accordance with the stated national trajectories for the carbon reduction of the relevant energy sources. As an example, if an electrical heating system based on supply from the national grid is utilised, the calculation of carbon emissions associated with this will be based on any published national government carbon reduction targets (including where possible a reduction trajectory) for the electricity grid. Where there are no published government targets, existing levels of carbon will be assumed unless robust evidence can be provided regarding future decarbonisation of the energy source.~~

8.3 Where a financial contribution to the Council is the preferred approach to offset carbon, the ~~resulting~~ financial contribution will be calculated as follows:

8.3.1 The estimated amount of residual CO2 emissions from the development over 30 years from the completion of the development, multiplied by the average carbon market price per tonne for the 12-month period preceding the completion of the development.

8.3.2 The average carbon market price shall be determined from the Carbon Emissions Allowance from the European Union Emissions Trading Scheme (unless replaced by UK adopted equivalent which will then apply) ***multiplied by 1.5***.

8.4 Offset contributions will be paid into the Council's Carbon Offset Fund and ring-fenced for off-site carbon reduction projects or, at the Council's discretion, may support a verified local off-site offsetting scheme, provided that such a proposal ~~is properly researched/quantified~~ ***meets carbon reduction industry best practice standards that are comparatively measured in carbon tonnage***. In the event that Warwickshire County Council or Warwick District Council operate a local carbon **sequestration** market that gives value to the growth and enhancement of local natural assets, this will be the preferred scheme. Any other scheme will be ~~referred to the Warwickshire County Council's Ecology team for verification~~ ***at the Council's discretion***. ***All offset sequestration schemes*** ~~Its~~ delivery must be local ~~and must be guaranteed~~***, guaranteed and meet the Warwickshire ecosystem service market trading protocol or such protocols endorse by government***.

8.5 The Council will maintain supplementary planning guidance setting out how contributions to the Carbon Offset Fund will be utilised to enable net-zero carbon. This will include a list of projects to be funded and regularly reviewed in line with the Council's Climate Emergency Action Programme to ensure that there is transparency throughout the process. Examples of project types include: investment in natural assets that will capture carbon; development of large scale renewable energy projects within or close to the District; providing advice and/or funding to enable the District's existing building stock to be decarbonised.

8.6 Monitoring of the funds and progress made by adopting this policy will be included in the Authority Monitoring Report produced annually and will include details of: The amount of carbon offset fund payments collected

- The amount of carbon offset fund payments spent
- Types of projects being funded
- Amount of CO2 offset and price.

2. Warwickshire Flood Risk Management Team Comments

Please see below comments from FRM on the Warwick District Zero Carbon DPD:

SA report:

3.8 – Data on the water quality issues in the Avon catchment can be found at the following link. Out of 78 waterbodies in the catchment 23 are at Bad or Poor Ecological status and all 78 fail at Chemical Status. The main industries shown to be contributing to not achieving good status are Agriculture, Water Industry and Urban & Transport.

https://environment.data.gov.uk/catchment-planning/ManagementCatchment/3007/Summary

We would welcome any further guidance to be included on the multifunctionality of SuDs features to be implemented on development sites in accordance with the SuDs manual CIRIA C753.

Please contact me if you have any queries

Yours Sincerely

Tony Lyons

Planning Policy Team

Infrastructure and Sustainable Communities