

Executive summary



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A review of 'Merton Rule' policies in four local planning authorities in Cambridgeshire.

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Introduction



This report sets out the findings of research into the impact of Merton Rule-style policies in four Local Planning Authorities in Cambridgeshire.

These policies require reduction in carbon emissions from new developments through the installation of on-site renewable energy generation. First developed by the London Borough of Merton in 2003, 'Merton Rule' policies have been adopted by the majority of councils in England.

The purpose of the study was to investigate the degree to which these policies are meeting their primary objectives of reducing carbon emissions and raising the profile of renewable energy, as well as their secondary objectives of benefitting building occupants through reduced fuel bills and providing local economic opportunities. It also investigated how policies have impacted council officers (in terms of administration and monitoring) and developers (in terms of meeting the policies' requirements).

Methodology

The study aimed to draw together a broad evidence base from a variety of sources to develop a composite picture of the efficacy and impact of Merton policies in the four LPA areas.

This involved:

- A literature review relating to the national policy and regulatory context;
- Gathering data on all relevant planning applications within the 4 LPAs;
- Face to face and telephone interviews with LPA officers, developers, housing associations, estate managers, residents and tenants and supply side companies; and
- Running a stakeholder workshop to discuss initial findings.



Application of 'Merton' policies across the county

The research found that there are differences in understanding both between and within LPAs about the primary objectives of these policies (e.g. carbon reduction or profile raising). Implementation of these policies tends to be reliant on a few key individuals in each LPA, leading to inconsistency in the application of the policy. There is also a great deal of variation in the way developers provide LPAs with energy statements regarding intended compliance with these policies, making assessment time-consuming for officers. In addition, the lack of an automatic system for tracking Merton Rule planning applications through the planning system, or determining when construction has been completed, makes monitoring of the policy very difficult.

Are the policies meeting their objectives?

These policies are certainly resulting in renewable energy installation in private housing and non-domestic developments. (In social housing, the renewable energy installations are being driven by the national requirement for new social housing to comply with Code for Sustainable Homes Level 3). However, developers have not fully embraced these technologies and see them as being off-putting to prospective purchasers.

It is difficult to accurately assess whether the policies are

delivering the intended 10% of renewable energy, but our research indicates that it is unlikely. There are reported cases of biomass boilers sitting idle whilst the gas back-up system is used instead and at least one case of air source heat pumps remaining switched off due to noise issues.

In terms of the occupants' experiences, two prevailing views were identified. Where measures have been installed correctly, are free of maintenance issues, do not require high levels of user intervention to operate them efficiently and where explanatory information has been provided, we found high levels of satisfaction and, in some cases, considerable enthusiasm in support of renewables. By contrast we found that problems with the installation of renewables, lack of information about how to operate them effectively, and a need for greater than expected levels of user intervention can rapidly lead to dissatisfaction amongst occupants and concerns about running costs and the risk of households being pushed into fuel poverty.

Gas condensing boilers are frequently used as the benchmark for evaluating the ease of use and performance of renewables by occupants and developers alike.

The policies are creating economic opportunities through the manufacture, supply and installation of renewable technologies. One manufacturer

(based in Papworth, Cambridgeshire) estimates that one person year of employment in its manufacturing operation is created for approximately every 70 dwellings that have solar thermal panels installed. Installation and servicing of the products would further support employment. However, whilst there is considerable supply side capacity within Cambridgeshire, only one of the developers interviewed had sourced renewable technologies locally.

National drivers for Merton Rule policies

In terms of the national policy context, there is a strong case to be made for retaining Merton Rule-style policies in the run-up to the zero carbon standard (currently 2016/2019 for domestic/commercial developments). National policies regarding building-integrated renewables have been diluted, whilst reasons for encouraging renewable energy capacity have, if anything, increased. These include contributing to national renewable targets, energy security, fuel poverty (with domestic energy prices having roughly doubled in the past five years) and reduction in carbon emissions.

Developers will almost certainly be able to meet the 2013 Building Regulations (which have not yet been finalized) without needing to install renewables.

Parameters for a revised policy

As well as reducing carbon emissions, a revised policy should:

- Be good for occupiers (offering financial savings, protection against future energy price rises and a dependable, low maintenance technology);
- Provide the LPA with confidence that it has provided a dependable technology to occupiers;
- Be good for the local renewables sector;
- Be easy to apply and monitor; and
- Offer a clear standard for developers, providing them with certainty and reducing their feasibility/installation costs.



Suggested revisions to the policy

To meet these objectives, it is suggested that a technology-specific policy be adopted. Considering a wide range of variables including upfront cost, savings, carbon emissions reduction, ease of monitoring, level of occupant engagement required, avoiding overlap with the Building Regulations, end user acceptability and potential local economic impact, it is suggested that a revised policy requires 10% of total carbon emissions to be met through:

- PV and/or solar thermal in the domestic sector (with the policy applying to all new developments), with a requirement that a solar energy display or readout is provided for each property;

- PV in the non domestic sector (applying to all developments over 1000m²), with a requirement for there to be prominent signage, stating that the building is meeting part of its Regulated energy demand from renewable energy, with a readout or display.

Options for maximizing the effectiveness of a revised policy

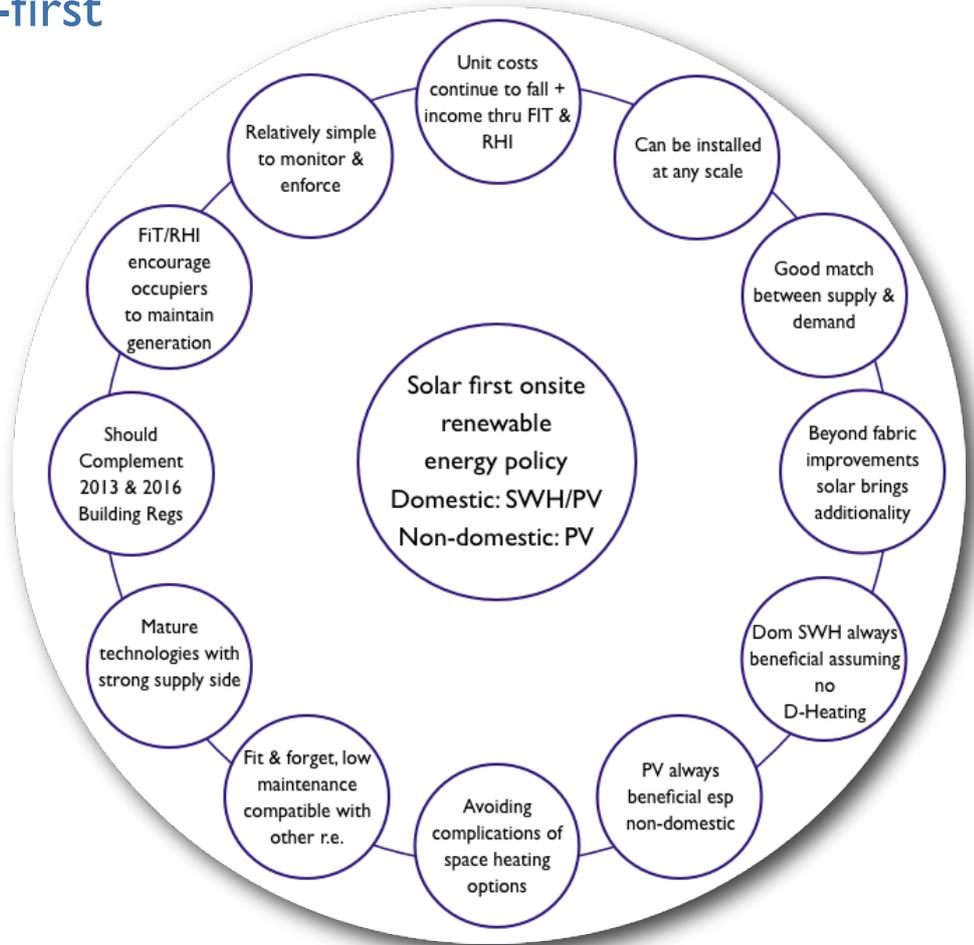
To maximize the effectiveness and minimize the bureaucracy of this policy, it is suggested that:

- All four LPAs use the template provided by Cambridge City Council for collecting information from developers on their applications, with councils providing applicants with

some typical baseline figures to illustrate the estimated size and coverage of installations.

- For landlord estates such as universities, a more flexible, site-wide approach is adopted to take account of the different nature of these developments and the long-term relationship that the developer has with new buildings.
- Where heating is provided by a gas boiler, the heat should, where possible be distributed using a low temperature system to allow connection to a heat pump at a later date.
- Councils provide occupants (initial and future) with information about the operation and maintenance of renewable technology and how to get best value from it.

Rationale for a solar-first renewable energy planning policy



- Developers be strongly encouraged to use local companies for the supply, installation and maintenance contracts for renewable energy systems.
- There is an ongoing programme of stakeholder dialogue, involving developers and supply-side companies in the development and application of these policies. This will help ensure that developers fully understand the policy and with maximum benefit to the local economy.
- To facilitate monitoring, we suggest that building control officers are asked to report



back on technologies installed. LPAs could also consider requiring submission of FiT and RHI certificates.

Composite rationale

There is no single argument arising from this research, which alone makes the case for amending existing Merton Rule policies in Cambridgeshire. There are however a number of relevant issues which together provide a composite argument or rationale for amending the current policies and which are illustrated above.

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