



Examination of the Remitted Part of the Salt Cross Village Area Action Plan

Inspector Helen Hockenhull BA (Hons) B.PI MRTPI

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By Email

Dear Mr Hargraves,

Examination of the Remitted Part of the Salt Cross Village Area Action Plan (AAP).

1. As you know, the examination hearing into the remitted part of the Salt Cross Village AAP, namely Policy 2, took place on Mon 30 June 2025.
2. I am now in a position to set out my conclusions on the soundness and legal compliance of Policy 2 and advise on the examination going forward. My comments below are based on all I have read and heard. Comments in this letter are without prejudice to my final conclusions on the Plan which I will set out in my subsequent report to be published after the Main Modifications (MMs) consultation and taking account of any representations received.
3. I have taken account of the suggested modifications to the policy as detailed in the Council's hearing statement and also the consequential MMs (ED9E). My comments are also made in the knowledge of the recent Court of Appeal judgment¹ in response to the challenge to the Written Ministerial Statement on Local Energy Efficiency Standards, dated 25 July 2025.
4. In this letter I shall first address consistency with national planning policy including the WMS and then assess other soundness aspects of the policy.

Consistency with national planning policy including the WMS

5. The WMS states that:

¹ Rights Community : Action Limited v Secretary of State for Housing, Communities and Local Government, [2025] EWCA Civ 990

Any planning policies that propose local energy efficiency standards for buildings that go beyond current or planned buildings regulation should be rejected at examination if they do not have a well-reasoned and robustly costed rationale that ensures:

- *That development remains viable, and the impact on housing supply and affordability is considered in accordance with the National Planning Policy Framework.*
 - *The additional requirement is expressed as a percentage uplift of a dwelling's Target Emissions Rate (TER) calculated using a specified version of the Standard Assessment Procedure (SAP).*
6. With regard to scheme viability, the Financial Viability Assessment Update (ED9A) finds that a policy compliant scheme with 50% affordable housing and Policy 2 requirements is marginally unviable. The report suggests that an optimum scheme in terms of viability would be one that provides 45% affordable housing.
 7. The site promoter has questioned a number of the assumptions in the submitted viability assessment including build costs, the eco premium and sales values. In their view costs have been underestimated leading to a significant shortfall and an unviable development.
 8. Taking account of both the Council's evidence and that of the representor, it is clear that viability is an issue for the Garden Village development, though there is disagreement on the extent to which the development is unviable. I accept that the cost of Policy 2 adds additional pressure on the overall viability of the scheme. However, I also recognise that the delivery of net zero is not the only factor affecting scheme viability. Increased overall construction costs, inflation, profit levels, land values, and infrastructure costs all have an impact.
 9. The Council have compared the originally submitted viability assessment from 2021 with the 2024 viability assessment update. This demonstrates that, excluding the cost of Policy 2 requirements, these other scheme costs have increased and are having a notable impact on overall viability.
 10. The Future Homes Standard (FHS) is due to be introduced through a change to Building Regulations in the Autumn of this year. This aims to make all new homes 'zero carbon ready' as an interim step to net zero in 2050. The FHS aims to achieve a 75% reduction in carbon emissions and will inevitably mean an increase in build costs for the Garden Village. The additional cost of going a step further to achieve net zero in line with Policy 2, would accordingly be reduced and constitute a lesser proportion of overall build costs.
 11. Given all the above considerations, taking a holistic view, I conclude that the application of Policy 2 is unlikely to impose a high financial burden on the Garden Village scheme or have a significant effect on housing supply and

affordability. The Council stressed at the hearing that the delivery of the Garden Village is a priority. In line with Policy 23 of the AAP, affordable housing provision is subject to a viability clause. Furthermore, the Council confirmed at the hearing that section 106 infrastructure costs would be the subject of negotiation. The development should therefore remain viable.

12. The WMS also requires that any additional energy efficiency requirement be expressed as a percentage uplift of the Target Emission Rate (TER). The Council proposes to deviate from this and use a different metric, Energy Use Intensity (EUI). The Net Zero Carbon Development Evidence Base (ED9B) points out the advantages of EUI, that it represents the total energy needed to run a building over a year ie regulated and non-regulated energy use. In contrast TER only considers regulated energy use ie. heating, lighting, cooling and ventilation.
13. I recognise that one of the objectives of the WMS is to prevent a proliferation of different standards and provide a standardisation of approach. However, the Council has submitted evidence to demonstrate the introduction and use of other metrics to measure energy efficiency. For example, the Government is introducing the Home Energy Model to assess compliance with the FHS.
14. The Net Zero Carbon Development Evidence Base (ED9B) assesses a low carbon option aligned to the stipulation of the WMS and also a net zero carbon option. This shows that both options are achievable from a technical and cost viewpoint. This further demonstrates that the EUI metric is suitable and feasible to assess energy use.
15. I acknowledge that the WMS is a material consideration, but it should also be read in the context of wider national policy and legislative considerations. Reducing carbon emissions and supporting the transition to net zero forms a central part of the Framework² in line with the objectives and provisions of the Climate Change Act 2008. However, no matter how energy efficiency is proposed to be measured, the environmental outcome, to mitigate climate change and contribute to meeting the net zero obligation, will remain the same. Based on the evidence before me, I conclude the Council's approach is consistent with national policy.

Other soundness issues

16. As submitted, Policy 2 requires that all development at Salt Cross must achieve net zero operational carbon on site through ultra-low energy fabric, low carbon technologies and on-site renewable energy generation. Whilst I appreciate the aspirational nature of the policy, there should be recognition that technical issues may mean that the policy requirements cannot be met. Furthermore, as discussed above, due to the challenges to the viability of the Garden Village scheme, some flexibility is important to ensure delivery to

² Paragraphs 8c), 161 and 164

meet both the housing needs of the Borough and Oxforde's unmet need. The Council in their hearing statement suggested additional text could be added to the policy to provide flexibility. I agree this is necessary for soundness and this overall caveat should apply to all elements of the policy.

Building Fabric

17. The Policy requires that buildings must meet a space heating demand of less than 15-20 kWh/m².yr. As drafted, the policy is ambiguous and potentially ineffective. An MM is therefore necessary to ensure clarity for developers, decision makers and the community.

Overheating

18. At outline planning stage mitigation is required to focus on orientation and massing. However, at that early stage of the development, there may be insufficient details to do this. A MM is therefore required. The Council suggested an amendment to the policy wording in their hearing statement which I concur is suitable and necessary.
19. This section of the Policy amongst other things requires a demonstration of compliance with Part O of the Building Regulations and CIBSE TM52 at detailed planning stage. As this duplicates other regulations, it should be deleted from the policy text.

Energy Efficiency

20. The Policy requires residential properties, offices and schools to achieve the stated energy use intensity targets. For other uses targets would be agreed with the Council as part of pre application discussions. It was clarified at the hearing that this requirement relates to the design and construction stage. This should be made clear in the policy for effectiveness.
21. The Policy also requires that a validated predictive energy modelling approach (eg PHPP, CIBSE TN54) be agreed with the Council and applied consistently across all building types. It is unclear how this applies across a phased development which would be built out by different developers. A MM is required to rectify this.
22. Furthermore, the examples of energy modelling stated in the policy ie. PHPP and CIBSE TN54, could be superseded, and other enhancements made to provide improved modelling techniques. In the interests of effectiveness, they should be referenced in the supporting text.

Fossil Fuels

23. The Council's suggested modification to this section of the policy was discussed and agreed at the hearing, requiring the development to be fossil fuel free.

Zero Operational Carbon Balance

24. The Policy requires that 100% of the developments energy demand must be met through on-site renewable energy such as solar PV. The Policy recognises this may not be technically feasible in all cases and requires that it should be maximized on plot. The Net Zero Carbon Development Evidence Base (ED9B) identifies that the aim is to achieve a balance between the predicted energy use and the annual renewable energy generation. However, the evidence identifies that for certain residential typologies this cannot be achieved on the building alone. It must therefore be achieved on plot or within the wider village development. As drafted the policy is ineffective in outlining this expectation and a modification is required.

Embodied Carbon

25. The Policy requires that development demonstrates attempts to reduce embodied carbon and refers to meeting the upper limits of the UK Net Zero Carbon Buildings Standard. Whilst it is justified to require an embodied carbon assessment, this standard is currently a pilot and could be superseded. It should be removed from the policy for effectiveness.
26. The policy goes on to require embodied carbon calculations at outline and detailed planning stage. It is unclear what should be provided at each stage. Further clarity should be provided in the supporting text for effectiveness.

Energy Strategy, Monitoring and Verification

27. The policy requires a submitted energy strategy to include metering, monitoring and reporting arrangements with post occupancy monitoring to be undertaken annually for five years and then centrally stored and shared among developers' designers and contractors. It is unclear how metering in particular could be achieved, how such measures could be enforced and how monitoring arrangements are to be resourced. There are also no details of how a database could be stored, by whom and how the data would be made available and used. This section of the Policy is unjustified and ineffective. The Council should reconsider how monitoring could be achieved and put forward suggested amendments to the policy accordingly.

Next steps

28. I invite the Council to prepare a schedule of proposed MMs, including the consequential MMs detailed in document ED9E, for my consideration. Once I have agreed the wording of the MMs with the Council, they should be published for a minimum 6-week consultation period. The MMs will need to be subject to Sustainability Appraisal and Habitat Regulation Assessment as far as necessary. I will need to review any amended documents before they are published.
29. I request a response to this letter within 14 days, with an indicative timetable for the preparation and consultation of the MMs.

30. A copy of this letter should be placed on the examination web page for the information of all those following the progress of the examination. I am not seeking or inviting responses to this letter from any other interested party.

31. Should the Council have any queries, please contact me through the Programme Officer.

Yours sincerely,

Helen Hockenhull

INSPECTOR