

Mr D. McCreery and Ms C Dillon,
The Planning Inspectorate
c/o Paige Gaughan,
Local Plan Programme Officer,
Ealing LPA

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Your ref	My ref	Extension	Date
	CR/041	8056	24th March 2026

Dear Sir/Madam,

**Examination of the Ealing Local Plan 2024-2039:
Ealing LPA's Response to Post Hearing Action Logs,
Block 2, Part 12 (Supplemental) - Dealing with item 7.5.**

I wrote to you setting out a record of the agreed log of actions on 24th December 2024 that arose from the hearing sessions that dealt with Block 2, Matters 4 and 6-10 between 2 - 11 December 2025. This letter provides the final batch of council responses relating to the Action Log items mentioned above.

Matter 7 – Climate Change, The Environment and Healthy Places

Action Log 7.5 - Policies OEP and ECP - To provide a note on the viability implications of Policy OEP and ECP and the robustness of the viability methodology.

LPA Response: Robust evidence exists to prove that development would continue to remain viable under the operation of such local policy standards as follows:

Policy OEP

With regard to policy OEP this is addressed via the Delivering Net Zero study {EB34} which provides detailed cost modelling for the various archetypes and scenarios. This demonstrated that Policy Option 2 would result in a modest uplift in construction costs relative to a Part L baseline. Viability has also been tested in the round alongside the full suite of local plan policies as part of the Whole Plan Viability Assessment {EB120}. This evidence base robustly demonstrates that the operation of Policy OEP would not make development unviable.

The study {EB34} examined 24 specification scenarios for each of the eight archetypes, and the associated modelling (energy and cost) has formed the core focus of this evidence base, informing a relative understanding of the performance of Policy Options 1 and 2 and

providing the information needed to determine appropriate target levels tied to practical examples built to differing specifications.

EB34 undertakes cost modelling for each of the scenarios to understand the uplift in capital (construction) costs associated with building to these specifications and achieving specific performance levels (indicative targets) against the relevant metrics (i.e. part L uplift, SHD or EUIs). The cost modelling also examined the energy costs from the perspective of running costs that what residents have to pay.

EB34 compares each specification scenario to a baseline or cost reference scenario for that archetype. EB34 chose the baseline to represent a part L 2021 compliant specification for that building archetype (typically for most archetypes this is combo A2 – gas boiler/good practice, but for a small minority different combos were used). EB34 estimates the construction cost per square metre were the baseline.

EB34 then determined the construction costs for all the specification scenarios for each archetype and presented as a percentage uplift relative to the baseline cost, and in terms of the additional cost in £ per square metre. EB34 used this information to understand the range of costs associated with those scenarios which were deemed to be compliant with the indicative targets (SHD & EUI target levels for policy option 2). The findings (see Page 233) demonstrate that the uplift range varies between the archetypes, but minimum compliance with the indicative target levels can be achieved within a modest uplift range of 1% to 4% across the eight archetypes (Note there were a couple of outliers for two of the archetypes (low rise domestic and industrial) where for a small number of combos the cost uplift reached 7% - however lower and cheaper combo policy compliant specifications were also identified for each of those archetypes).

Taken in isolation, this evidence demonstrates that Policy OEP, which is modelled on Policy Option 2 and incorporates the target levels recommended in this study, has a very modest impact on construction costs.

Further detail regarding the methodology and findings of the cost modelling can be found in Chapter 9 of the Delivering Net Zero (DNZ) report {EB34}.

The Whole Plan Viability Assessment (EB120) tests the cumulative impact of all the emerging policies on viability. This assessment adopts a more cautious estimate, applying a cost uplift of 5% for meeting the operational energy targets sought by Policy OEP (6.32).

Again, as with the findings of the DNZ study, the cost implications vary between the archetypes. In some cases the impact of the additional costs is significant, but this is where the starting residual land value is

very low. In the main, the impact is relatively modest, at circa 13% on average (Para 6.33). Overall, and when viewed in the round alongside the other Local Plan policies, the whole plan assessment concludes that the impact of OEP is relatively modest. It notes that the reduction (in the residual land value) is unlikely to have a significant impact on the deliverability of developments (see Para. 6.33).

Regarding the implications of the WMS on viability as a consideration this acknowledges the scope to 'deviate' from this guidance, where there is clear evidence justifying this approach including robust costings to demonstrate that development would remain viable under an alternative policy approach. The matter of viability in the context of the Written Ministerial Statement (December 2023) is also addressed more generally as part of open legal advice prepared on behalf of the consultancy team who developed the key evidence base study (EB34 – Delivering Net Zero) underpinning this policy. This open legal advice (20th September 2024) is attached for information.

Having tested a wide range of scenarios and archetypes and demonstrating that this policy is not a significant factor impacting deliverability, the council does not anticipate that the policy would need to be applied more flexibly than is already permissible under the policy as written.

Specifically, the policy allows for a higher level of off-setting where there are clear practical challenges preventing the achievement of an energy balance on-site. This is consistent with the guidance given in the WMS which emphasises the need for decision makers to be flexible when operating these policies where the applicant can demonstrate that meeting the higher standards is not technically feasible.

The council considers that it is significant that the statement does not reference viability in the context of operating the policy, as viability needs to be addressed at the plan making stage. Moreover, the policy is clear that decision makers will be able to use discretion when applying the EUI archetype types, where a proposed scheme does not quite fit the target groups.

It is important that the policies are expressed clearly. Building in additional flexibility into the policy would adversely impact on the achievement of the council's overall goal and introduce unnecessary uncertainty. Ultimately it will be a matter for the decision makers to apply the policies and the planning balance. The council intends to publish further guidance to support the implementation of this policy. This approach to flexibility is not inconsistent with national policy guidance, including the WMS.

Policy ECP

As with the operational energy policy this policy has also been considered as part of the whole plan viability assessment (EB120). Considering both OEP and ECP together this assessment assumed an uplift of 15% in respect of the additional construction costs (4.16 & 6.34). The assessment concludes (see Section 6.35) that whilst the cost uplift will impact residual land value (with a typical reduction of between circa 13 and 40%), most schemes will remain viable after the requirement has been applied. Furthermore, while the Whole Plan Viability Study factors in additional costs for achieving zero embodied carbon, this exceeds the target in Policy ECP, which seeks reductions rather than total elimination of embodied carbon.

Please let me know if you require any further information or clarification on these matters.

Yours sincerely

Steve Barton

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