

**Hounslow Local Plan (2020-2041)**

**Examination**

**Stage 1 Hearings Note**

**Zero Carbon**

**March 2026**



**London Borough  
of Hounslow**

## **Contents**

1.0 Introduction	3
2.0 Further Explanation of the Plan Approach in relation to Net Zero Carbon Policies	4
3.0 Hounslow Carbon Offset Price Review Modifications	15
4.0 Net Zero Carbon Requirements for Temporary and/or Meanwhile Uses	17
5.0 Appendices	19

## 1.0 Introduction

1.1 During the Stage 1 hearing session on Matter 7 (Green Infrastructure, Community Infrastructure and Environmental Quality) held on Wednesday 28<sup>th</sup> January 2026, the Inspectors requested that a Note be prepared in relation to net zero carbon policies (EQ1 and EQ2). The details of the tasks to be undertaken in this Note are set out in the *Documents Requested by Inspectors in Hearings Week 2 Note (Document EX41)*<sup>1</sup> as follows:

- Further explanation of the Plan approach in the context of the London Plan Policy SI 2, WMS 2023 and the evidence in document EBV1 and EX10.
- Clarification of the intended Plan approach and any modifications proposed, in terms of how the Hounslow carbon offset price could be subject to regular reviews - noting that it could not be addressed through the preparation of a new Supplementary Planning Document.
- Reflections on whether a more specific or refined approach in the Plan is required to deal with development proposals for temporary and/or meanwhile uses.
- Explanation of any relevant proposed modifications to the Policy EQ1, EB2, Table EQ2.1 and supporting text arising from hearing discussions and the tasks listed above.

1.2 This Note provides a response to these detailed tasks and highlights any proposed related modifications to be presented in the updated schedule of suggested modifications.

---

<sup>1</sup> EX41 – [Documents Requested by Inspectors in Hearings Week 2](#)

## 2.0 Further Explanation of the Plan Approach in relation to Net Zero Carbon Policies

2.1 The Inspectors have requested that further explanation be provided in relation to how the emerging net zero carbon policy is intended to function in the context of the London Plan (**Document ADP1**<sup>2</sup>) policy approach articulated in Policy SI 2. The Inspectors have also asked for further explanation of the Plan approach in the context of the Written Ministerial Statement 2023<sup>3</sup>, and key evidence base documents the Whole Plan Viability Assessment (**Document EBV1**<sup>4</sup>) and the Energy and Carbon Reduction Topic Paper (**Document EX10**<sup>5</sup>). This Note will expand upon a number of issues that were brought up during the hearing sessions for Matter 7.

### *Explanation of 'Benchmark Targets' and Other 'On-site' Reductions Targets*

2.2 The Inspectors have requested additional information in relation to how the emerging policy EQ1 approach would work with the Mayor's London Plan policy SI 2, specifically in relation to the use of 'benchmark targets' over Part L (2021) for various types of development in the emerging policy (at clause E, sub clauses I, II. and III.).

2.3 During the Matter 7 hearing session on Wednesday 28<sup>th</sup> January 2026, the Council explained that the approach would be for applicable developments to achieve the minimum 35% target set by the Mayor in policy SI 2, and then to seek to achieve the 'benchmark target' where this is higher (up to the 65% improvement target over Part L 2021 for residential schemes) in line with the Mayor's energy hierarchy approach. A modification is proposed to provide further clarity (see Table 1 below).

2.4 The Delivering Net Zero report 2023 (**Document EBEQ5**<sup>6</sup>) assessment findings suggest that a more ambitious level of on-site CO<sub>2</sub> reduction compared with Part L 2021 would incentivise better designs and would be technically feasible (p.139), and that many of these

---

<sup>2</sup> ADP1 [London Plan \(2021\)](#)

<sup>3</sup> Written Ministerial Statement 'Planning – Local Energy Efficiency Standards Update' published 13th December 2023, accessed: <https://questions-statements.parliament.uk/written-statements/detail/2023-12-13/hcws123>

<sup>4</sup> EBV1 [Hounslow Whole Plan Viability Assessment \(2024\)](#)

<sup>5</sup> EX10 [Energy and Carbon Reduction Topic Paper \(October 2025\)](#)

<sup>6</sup> EBEQ5 [Delivering Net Zero: An evidence study to support planning policies which deliver Net Zero Carbon developments \(2023\) - Main Report](#)

higher performance options would also not be prohibitively more expensive in terms of construction costs per m2 when compared with a Part L 2021 compliant option (p.231). This cost modelling work has fed into the costs assumptions used to assess policy costs and subsequent impacts upon viability set out in **Document EBV1**.

2.5 It should also be noted that the policy seeks to anticipate further changes to Building Regulations (known as the Future Homes & Buildings Standards), which were anticipated to be introduced in 2025 and would have a bearing on the implementation of the emerging policy. This is set out in more detail in **Document EX10** (paragraphs 3.37-42). It is noted that at the time of writing these standards (and the associated changes to Part L of the Building Regulations) have yet to be implemented, however the Government has not confirmed that the changes are not being taken forward. Despite this uncertainty, the policy wording is considered to be suitably flexible to continue to be effective should any changes be made to Part L in future, whilst also remaining in general conformity with the London Plan policy SI 2 approach.

2.6 The emerging policy also established different improvement targets over Part L (2021) targets for non-residential schemes. This is based on the findings of **Document EBEQ5**, which suggest that since the introduction of Part L 2021, it has become increasingly difficult for various non-domestic building types to achieve the Mayor's 35% minimum on-site carbon reduction target, suggesting that "*[s]etting different policy targets across [non-residential] building types could be an appropriate solution*" (p.140). **Document EBEQ5** goes on to recommend that a Part L compliant policy approach should seek to require different levels of on-site carbon performance for domestic and non-domestic buildings based on the findings of the assessment, and it includes specific policy recommendations (as set out on p.251 of the report) which have, for the most part, been reflected in the emerging policy.

2.7 The only exception to this is the intended approach to industrial buildings, which the Council considers to be set too high in the policy recommendations set out in **Document EBEQ5** (i.e. a 45% minimum target over Part L). The Council considers that the ability of an industrial scheme to achieve such a target is heavily dependent on the industrial use and processes for which the building is intended, which may not be known at the time of applications for speculative development. The Council has therefore taken a more conservative and pragmatic approach as set out at EQ1, E., III. which requires that London

Plan fabric efficiency target of 15% over Part L to be applied to conditioned (heated or cooled) spaces, and any ancillary office spaces achieving the same target for this typology more generally (25% over Part L).

2.8 The policy approach therefore seeks to address a noted issue relating to the implementation of London Plan policy SI2 in relation to changes that have taken place to Part L of the Building Regulations in the years since the London Plan policy was drafted (which referred to Part L 2013). The emerging policy seeks to update the position and provide further clarity with regard to Part L 2021 for non-domestic building typologies. It should be noted that the Mayor of London has not raised any general conformity issues with this policy (see **Documents S8**<sup>7</sup> and **S9**<sup>8</sup>, specifically REP074, and **EX5e**<sup>9</sup>).

2.9 The Council has considered the comments raised by the Inspectors during the Matter 7 hearing sessions and has suggested several modifications to provide further clarity. The modifications are provided in the table below and are included in the Updated Suggested Modifications Schedule:

*Table.1 Suggested Relevant Modifications Table – Policy EQ1.*

Modification code	Policy, clause / map/ figure	Paragraph / Clause	Page	Modification	Reason for modification
[Mod code still to be determined]	EQ1	E.	205	E. Meet the carbon emission reduction requirements set out in the London Plan to achieve net zero carbon development, with:  I. Major and minor residential developments achieving <b>the minimum London Plan improvement target (35% over Part L 2021), and seeking to achieve</b> benchmark on-site	For clarity, and as suggested by the Inspectors during the Stage 1 (Matter 7) hearing sessions.

<sup>7</sup> S8 [Regulation 22 Consultation Statement](#)

<sup>8</sup> S9 [Link to Representations made pursuant to Regulation 20 \(in response to consultation at Regulation 19 Stage\)\(Redacted\)](#)

<sup>9</sup> EX5e – [Statement of Common Ground between LB Hounslow and the Mayor of London \(October 2025\)](#)

Modification code	Policy, clause / map/ figure	Paragraph / Clause	Page	Modification	Reason for modification
				<p>improvements of 65% over Part L 2021;</p> <p>II. Major non-residential developments achieving the following <b>benchmark minimum</b> on-site improvements:</p> <ul style="list-style-type: none"> <li>i. Offices – 25% improvement over Part L 2021</li> <li>ii. Schools – 35% improvement over Part L 2021</li> <li>iii. Hotels – 10% improvement over Part L 2021;</li> </ul> <p>III. Major Industrial developments aiming to achieve London Plan non-residential fabric efficiency targets for any conditioned (cooled or heated) spaces (15% over Part L 2021 <b>benchmark</b>), and any ancillary office spaces should achieve the above <b>benchmark minimum target</b> for offices (25% over Part L 2021 benchmark);</p>	
<i>[Mod code still to be determined]</i>	EQ1	9.5	207-208	<p>9.5 The London Plan includes detailed policies on these measures and the Mayor’s suite of London Plan Guidance documents provide further technical guidance on how these policies should be implemented. While the Council sees the benefit of following the zero carbon framework set out by the Mayor, policy EQ1 seeks to go beyond the London Plan by <b>requiring developments to not only meet London Plan minimum on-site reduction targets for residential schemes (35% beyond Part L</b></p>	<p>For clarity, and as suggested by the Inspectors during the Stage 1 (Matter 7) hearing session.</p>

Modification code	Policy, clause / map/ figure	Paragraph / Clause	Page	Modification	Reason for modification
				<p><u>2021), but also by</u> establishing a higher benchmark <u>reduction target for on-site</u> improvements of 65% over Part L <u>2021</u> for residential development, and by extending the requirement to apply to minor new build residential schemes <u>(comprising 9 units and under)</u>. <u>Policy EQ1 also sets out a range of targets above Part L 2021 for different non-residential typologies</u>. This is in line with the findings of the Delivering Net Zero Carbon Study (2023) which indicates that the current <u>London Plan</u> approach is not sufficient to maximise on-site emissions reductions, or carbon reductions more generally. <u>The study also finds that, following changes introduced by Part L 2021 in relation to different modelling calculation methodologies for residential and non-residential buildings, a range of distinct policy targets for different non-domestic buildings is more effective and will maximise potential carbon savings. This seeks to update the position and provide further clarity with regard to Part L 2021, which was introduced after London Plan Policy SI 2 was drafted (see London Plan footnote 154).</u></p>	

**Further Explanation of Carbon Offset Pricing Approach**

2.10 The Inspectors raised a number of concerns in relation to the potential impacts of the proposed increase in carbon offset price to £370/tCO<sub>2</sub> for major developments (and a £95/tCO<sub>2</sub> price for applicable minor residential developments) as set out in policy EQ1 clause F. The Inspectors have asked for further information in relation to why the increased carbon offset price has been set at the proposed level, and any further justification based on the sorts of activities that the carbon offset fund is intended to be used for.

2.11 As set out in the Council's topic paper **Document EX10**, the Council has sought to increase the carbon offset price in order to better reflect the true costs for the Council of reducing carbon elsewhere through carbon reduction projects funded through the Hounslow Carbon Offset Fund, and to incentivise developers to achieve greater carbon reductions through 'on-site' measures in the context of the London Plan energy hierarchy approach. The Council's approach is in line with the London Plan and the GLA's Carbon Offset Funds Guidance 2022<sup>10</sup> (paragraph 2.6, p.5) and is justified by the findings of the evidence base in **Document EBEQ5** (see chapter 10 'Offsetting', pp.242-244).

2.12 The new price of £370/tCO<sub>2</sub> over 30 years for major schemes has been set to reflect indicative costs of funding retrofit of social housing stock (plus a 10% additional rate for administration and management as recommended). In this way, the carbon offset price would be set at a level which enables the Council to save carbon elsewhere on a 1:1 basis through decarbonising its own social housing estate, and to ensure that the fund is administered effectively and for maximum impact. A lower £95/tCO<sub>2</sub> carbon offset price has also been set for minor residential schemes (delivering 1-9 units) in order to ensure that smaller developments are also able to achieve net zero requirements whilst ensuring a lower rate is set to ensure these schemes can remain viable.

2.13 The Council faces a number of challenges in utilising monies collected in line with the current London Plan carbon offset price of £95/CO<sub>2</sub> to reduce carbon elsewhere through activities it funds using the Carbon Offset Fund. The LB Hounslow Climate Emergency Action Plan 5th Annual Update (**Document EX39**<sup>11</sup>) provides the latest available update on the various programmes that the Council has established to meet the net zero

---

<sup>10</sup> The Mayor of London's Carbon Offset Funds Guidance 2022:  
[https://www.london.gov.uk/sites/default/files/gla\\_carbon\\_offsetting\\_guidance\\_2022.pdf](https://www.london.gov.uk/sites/default/files/gla_carbon_offsetting_guidance_2022.pdf)

<sup>11</sup> EX39 – [LB Hounslow Climate Emergency Action Plan 5th Annual Update \(2025\)](#)

commitments set out in the LB Hounslow Climate Action Plan 2020 (**Document EBEQ7**<sup>12</sup>).

**Document EX39** sets out some of the ways in which the Carbon Offset Fund has been utilised to fund various built environment decarbonisation schemes, including for LED lighting for a number of schools in Hounslow (p.18), contributions combined with other grant funding sources to enable the retrofit of a 41 flat residential sheltered housing scheme (Hyde House, see p.23), and other community buildings receiving funding for decarbonisation projects (p.32).

2.14 However, **Document EX39** notes at p.19 that the Council's progress on decarbonising its estate of 16,000 Council-managed social homes has seen just 150 of these homes being fully decarbonised (equivalent to less than 1% of the total) through retrofit activities in the 5 years since a climate emergency was declared by the Council. The report notes that "... *decarbonisation of our 16,000 social homes will be achieved through scaling of net zero neighbourhoods' approach through the Strategic Energy Partnership*" and that "*Limited further progress anticipated in the next year*" (p.19). This is in the context of the Council seeking to achieve net zero reductions for Council-direct emissions by 2030, and wider borough net zero reductions in line with the national net zero by 2050 target. This suggests a much greater need for funding to allow the Council to effectively save carbon emissions from its buildings in line with the approaches currently being trialled by the Council.

2.15 It should also be noted that **Document EBEQ5** at figure 2 (p.7) shows gas use primarily for heating buildings (as well as heating water and cooking) is currently the largest area of Council direct emissions, making up c.79% of total emissions. Some c.64% of these emissions are associated with Council-owned social housing (p.8). **Document EBEQ5** notes that "*[a]ction to achieve net zero emissions must therefore be focussed primarily at improving the energy efficiency of our estate and moving towards the use of low carbon energy sources for heating*" (p.8). There is therefore a clear justification for both setting a higher carbon offset price based on the indicative costs of funding retrofit of the social housing estate (which would be the most effective means for the Council to attempt to save an equivalent amount of carbon on behalf of developers who cannot reduce 100% of carbon through on-site measures alone), and for ensuring that any monies collected through the carbon offset mechanism can meaningfully contribute to this aim in order to achieve the Council's climate change objectives. Energy efficiency upgrades in buildings

---

<sup>12</sup> EBEQ7 [LBH Climate Change Action Plan \(2020\)](#)

(particularly domestic retrofit) are also key policy recommendations of the West London Local Area Energy Plan (LAEP) Phase 1 2023 (**Document EBEQ6**<sup>13</sup>)(p.69).

2.16 By setting the offset price to accurately reflect what it costs the Council to save carbon through offset payments, we would also hope that developers would be incentivised to achieve the highest feasible proportion of emissions reductions relating to their developments through on-site measures. This would close the ‘loophole’ which currently incentivises developers to not maximise on-site reductions, but rather to pay the Council an amount of money to try to reduce a % of their emissions on their behalf, but with an amount of money which cannot enable this to take place on a 1:1 basis.

2.17 The scale of the challenge is also made clear by the Infrastructure Delivery Plan (**Document EBID1**<sup>14</sup>) in the infrastructure delivery schedule for ‘climate change, energy and utilities (Appendix 1, p.114-15). This notes that full retrofit of Council owned operational buildings (made up of 71 corporate assets including office, operational buildings, community centres, non HRA resident buildings, and six leisure centres) would cost £43,500,000 between 2020-2040, of which £0 is secured/anticipated. The schedule also notes that decarbonisation of the social housing stock (full retrofit) to enable all properties to be net zero carbon with an average EPC B would £600,000,000 between 2020-2040, of which £0 is secured/anticipated.

2.18 The Council wishes to reassert the importance of being able to set a higher carbon offset price to ensure that carbon can be saved by the Council on a 1:1 basis where developers choose to utilise the carbon offset route to achieve net zero requirements, and that ultimately developers are incentivised to achieve higher levels of carbon reduction through on-site measures in line with the Mayor’s energy hierarchy approach. The Council would stress that by properly incentivising developers to reduce the emissions relating to their own developments through on-site measures, this will also ensure that this is not adding to the burden of future retro-fitting work which would then be required later on to achieve binding net zero commitments – often at a prohibitive cost to future residents, management companies or the state (in the form of grant funding). In this way, we can reduce the burden on future generations to reduce emissions associated with

---

<sup>13</sup> EBEQ6 [West London Local Area Energy Plan \(LAEP\): Phase 1 \(2023\)](#)

<sup>14</sup> EBV1 [Hounslow Whole Plan Viability Assessment \(2024\)](#)

developments being built today, and achieve meaningful reductions in carbon emissions in the near term when, crucially, these measures can be most effectively and efficiently ‘built-in’ to the design of buildings.

2.19 Finally, whilst the Council understands that decisions taken by Inspectors in relation to other local plan examinations should not be considered to form a precedent for the examination of this Plan, we would like to highlight the following recently approved development plans brought forward by London planning authorities which have included an increased local carbon offset price:

- Merton Local Plan 2024 (adopted 20<sup>th</sup> November 2024):
  - Policy C2.2, clause e. and supporting text paragraphs 2.2.16-18.
  - Introduction of a local £300/tCO<sub>2</sub> carbon offset price.
  - Utilised the same evidence base to justify policy (Document EBEQ5).
- Richmond Local Plan 2025 (adopted 7<sup>th</sup> October 2025):
  - Policy 4, part E.
  - Introduction of a local carbon offset price of £300/tCO<sub>2</sub>, with a minimum 60% on-site reduction and a maximum of 40% to be offset – this applies for major residential development as well as minor new-build residential development of 1 or more dwellings, and non-residential development of 100sqm or more (including new build, change of use, refurbishments).
  - Introduction of a local carbon offset price of £300/tCO<sub>2</sub>, with a minimum 35% on-site reduction and a maximum of 60% to be offset for minor residential change of use and conversions resulting in 1 or more dwellings.
- Westminster City Plan 2019-2040 (adopted 21<sup>st</sup> January 2026):
  - Policies 40 and 43, and as set out in WCC Planning Obligations and Affordable Housing SPD (2024)<sup>15</sup>.
  - Introduction of a local £880 - £330 /tCO<sub>2</sub> carbon offset price (depending on a grid decarbonisation allowance factored into calculation).
  - Utilised the same evidence base to justify policy (Document EBEQ5).

### ***Viability Matters***

---

<sup>15</sup> [Westminster CC Planning Obligations and Affordable Housing SPD \(2024\)](#)

- 2.20 A number of viability concerns were raised during the Matter 7 hearing session, both in relation to queries focusing on how the assessed net zero measures (both ‘on-site’ measures and ‘off-site’ measures in the form of carbon offset payments) have been presented in **Document EBV1**.
- 2.21 St James Group Ltd raised the following concern in their hearing Statement to Matter 7 (**Document WS7.5**<sup>16</sup>): *‘It is important to emphasise that the assumption at paragraph 6.35, that technology costs will fall over time, is highly uncertain. EBV1 provides no clear trajectory or robust evidence base to substantiate such an expectation’* (paragraph 1.31, p.6). This matter was subsequently raised by St James Group Ltd during the hearing session, and the Inspectors asked the Council whether any additional information to support the viability assumptions put forward at paragraph 6.35 of **Document EBV1** could be provided.
- 2.22 The Council has requested that the consultants who prepared **Document EBV1** (now known as Quintic Advisory LLP) provide the additional information requested and this has been appended to this Note at Appendix 1 (‘Note on Falling Costs of NZC Over Time’).
- 2.23 Quintic Advisory LLP refute the assertion of St James Group Ltd (represented by Quod) by providing evidence of the falling costs associated with photovoltaic (PV, also known as ‘solar’) panels as shown in the graph included in their note, which clearly shows how these costs have fallen considerably in response to increased uptake over the years. Quintic Advisory LLP also suggest that this position is supported by the Climate Change Committee (‘CCC’) in their ‘Supplementary analysis of the Seventh Carbon Budget’ (March 2026) which notes that *“falling investment costs are in part driven by falling costs of low-carbon technologies, as markets begin to establish supply chains and benefit from learning-by-doing and economies of scale”*. Quintic Advisory LLP also note that the CCC report comes to similar findings in relation to electronic vehicle (EV) battery prices, noting that continuing falls in the cost of batteries will have an important and positive impact in terms of cost reductions relevant to the matter at hand given that the ability for battery technology to effectively and efficiently store power generated by PVs and other on-site net zero technologies is a key part of achieving net zero standards in the built environment.

---

<sup>16</sup> WS7.5 [Quod for St James Group Ltd](#)

2.24 As such, the Council is confident that this information supports the findings within **Document EBV1** with regard to the continually improving viability picture for achieving net zero carbon reductions through on-site measures.

2.25 It is also noted that St James Group Ltd sought clarification in relation to relevant tables in Appendix 7 of **Document EBV1**, specifically around how the carbon offsetting requirements are being tested (and to what level), in circumstances where viability is also testing a proposal's potential to deliver net zero carbon requirements fully on site. This has been addressed within section 3.0 of the Viability Note also published on 20<sup>th</sup> March 2026.

### 3.0 Hounslow Carbon Offset Price Review Modifications

3.1 The Inspectors raised concerns in relation to Policy EQ1 clause F in relation to the position that the Hounslow carbon offset price would be subject to regular reviews with changes published within a future Supplementary Planning Document (SPD). The Inspectors have raised the matter of limitations on the preparation of new and updated SPDs after June 2026 in line with the new plan-making regulations, and what this means for emerging policies which had referred to the possibility of setting out additional guidance in SPDs.

3.2 A separate Note on the revised approach to address limitations on SPDs has been prepared in parallel with this Note (also published 20<sup>th</sup> March 2026). The Council confirms that EQ1 clause F has been amended to remove any reference to the publication of a revised carbon offset price through a future SPD. The modification is provided in the table below and will be included in the Updated Suggested Modifications Schedule Document:

*Table.2 Relevant Suggested Modifications Table – EQ1 clause F.*

<b>Modification code</b>	<b>Policy, clause / map/ figure</b>	<b>Paragraph / Clause</b>	<b>Page</b>	<b>Modification</b>	<b>Reason for modification</b>
<i>[Mod code still to be determined]</i>	EQ1	F.	206	F. Maximise on-site carbon reductions as far as possible, and set out all options pursued to achieve this within an Energy Statement. Where there is a justifiable shortfall, schemes will be required to make a cash in lieu contribution to the Council's Carbon Offset Fund for any residual emissions, or deliver reductions directly via an off-site reduction scheme in line with the London Plan. The Council's carbon offset contribution is to be calculated over a	To reflect the changes to plan-making in relation to the phasing out of SPDs, and as suggested by the Inspectors during the Stage 1 hearing sessions.

				<p>period of 30 years at the following prices:</p> <p><b>Major developments</b></p> <p>i. A higher rate of £370/tCO<sub>2</sub> for all residual emissions;</p> <p><b>Minor residential development</b></p> <p>ii. A lower rate of £95/tCO<sub>2</sub> for all residual emissions</p> <p><del>The Hounslow carbon offset price will be reviewed regularly and any changes will be published in future supplementary planning documents;</del></p>	
--	--	--	--	---	--

## 4.0 Net Zero Carbon Requirements for Temporary and/or Meanwhile Uses

- 4.1 St James Group Ltd raised the following concern in their hearing statement (**Document WS7.5**): *‘In respect of Policy EQ2 and Table EQ2.1, the draft wording must be revised to exclude temporary buildings required to facilitate development or as a meanwhile use from being subject to the sustainability standards otherwise applied for new build and refurbishment development’* (paragraph 1.43, p.8).
- 4.2 This issue was raised again during the Matter 7 hearing sessions. In response, the Council stated that it did not consider such a modification was required to address soundness concerns given Table EQ2.1 clearly refers to ‘new build’ and ‘refurbishments’, with separate requirements for residential and non-residential schemes.
- 4.3 The Council also raised a concern that buildings or development which might be claimed to be ‘temporary’ in nature or comprising a ‘meanwhile’ use, and therefore would be excluded from an amended policy EQ2, might then be retained as permanent buildings or uses through the use of either a S73 application or another form of permission. This could create a ‘loophole’ which might be exploited as a way to avoid having to implement the required sustainability standards for certain types of development. This would not be an effective approach and could lead to difficulties in policy implementation and enforcement, and ultimately would not align with the objectives of the Plan.
- 4.4 The Council has reflected on this position following the conclusion of the Stage 1 Hearing session. In addition to the points raised during the hearings, the Council would add that as the requirements set out in Table EQ2.1 signposts to either London Plan policy requirements (which should have their own requirements for permanent or temporary structures or meanwhile uses, depending on the policy in question), and/or require the achievement of BREEAM ratings (which would require schemes to be assessed against BREEAM’s own technical standards which include exemptions for certain types of temporary buildings in any case), there is no need to restate any exclusion within emerging policy EQ2, Table EQ2.1, or the supporting text.

4.5 It is considered that the approach in EQ2 clause E, and the supporting Table EQ2.1, is sufficiently clear in this regard and remains effective. The policy is sound and no further modification is required.

## 5.0 Appendices

## APPENDIX 1 – Note on Falling Costs of NZC Over Time



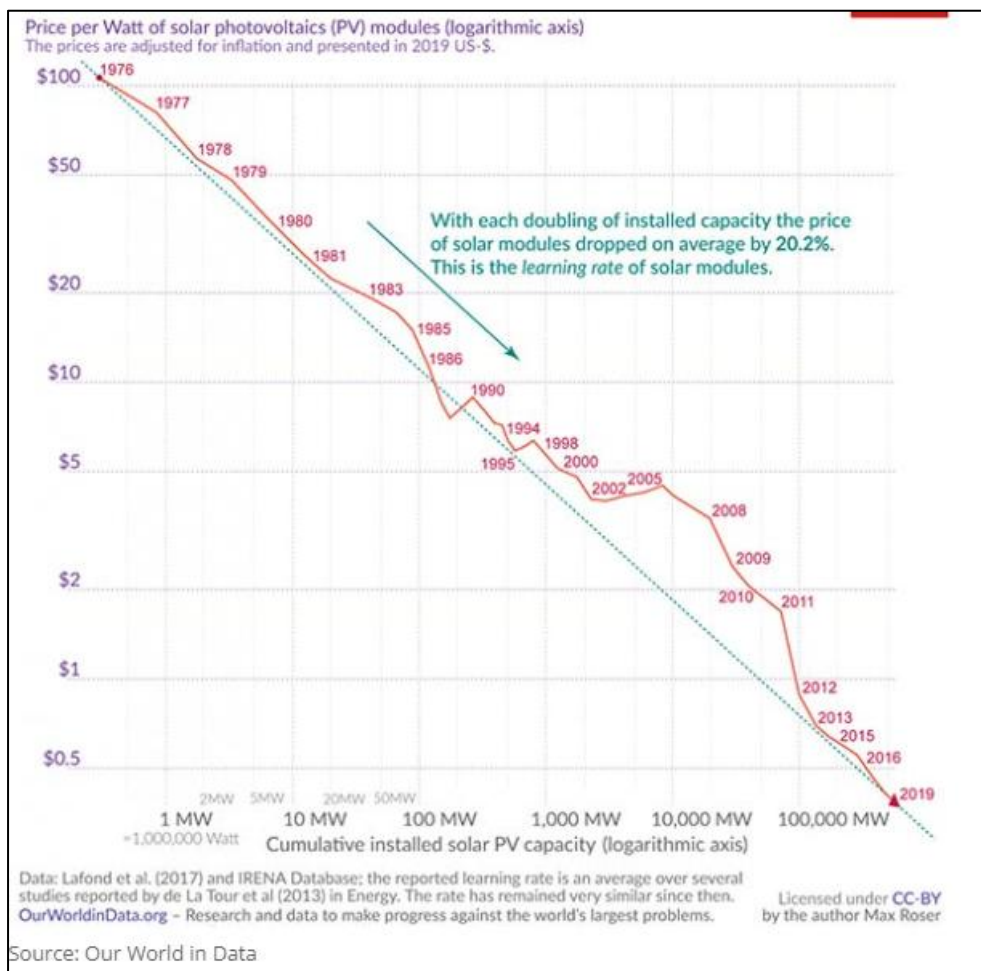
### LONDON BOROUGH OF HOUNSLOW – LOCAL PLAN NET ZERO CARBON

We have been asked to complete a note on our Zero Carbon policy (EQ1) to address specific points raised by the Inspectors which needs to include details relating to the assessment of this policy within the WPVA. Please could you assist us with drafting up some wording explaining the assumptions used in the WPVA around future reductions in low-carbon technology costs as part of the assessment of policy EQ1 'on-site approach' (as per WPVA pp.4-5, para 5.35 p.61, & p.74)

The WPVA notes that “it can be reasonably expected that the cost [of net zero carbon technologies] will fall as more developers integrate low carbon technologies into their developments in response to changes to policy requirements at local and national levels”. This was challenged by Quod at the examination hearing, who asserted that there was no evidence that costs could fall.

Quod’s assertion is not supported by evidence of the costs of PV panels, as shown in Figure 1. As can be noted, the cost PV panels has fallen considerably in response to increased take-up.

Figure 1: Costs of PV panels over time



The Climate Change Committee ('CCC') 'Supplementary analysis of the Seventh Carbon Budget (March 2026) also notes *that "falling investment costs are in part driven by falling costs of low-carbon technologies, as markets begin to establish supply chains and benefit from learning-by-doing and economies of scale"*.

The CCC report also notes that there are other examples of falling costs of low carbon technology:

"Electric vehicle (EV) battery prices have decreased dramatically over the past decade, with the speed of reduction significantly outpacing our early projections. Despite small price increases in 2022 due to supply chain disruptions, prices continued to fall in 2023 and 2025. Overall, prices fell by 77% between 2015 and 2025".

This underlines the earlier point that increased take-up of a particular technology will typically result in falling costs. Given that storage of power generated by PVs and other on-site technologies is a key part of achieving net zero standards, the continuing falls in the cost of batteries will be an important contributing factor in overall cost reductions.

Quintic Advisory  
11 March 2026

Note for Inspectors: The development viability business line at BNP Paribas Real Estate transferred to Quintic Advisory from 1 March 2026