

National Assembly for Wales
SUSTAINABILITY COMMITTEE
INQUIRY INTO CARBON REDUCTION IN WALES.

18 October 2007

Report of London Borough of Merton

Purpose

This paper outlines the pioneering work undertaken by the London Borough of Merton to develop positive planning policies that require new developments to include a proportion of their energy requirements from renewable energy (zero carbon).

The Council adopted its policy in 2003 and it has become known as the 'Merton Rule'. Since adoption in Merton similar policies have been widely taken up by Council's across the UK, the London Mayor and Regional Council's. The Government has embraced this approach in guidance such as PPS22 on Renewable Energy and in the draft of PPS1 on Climate change. Supportive guidance is included in the Government's micro-generation energy strategy.

This policy approach has been widely supported by a cross section of other organisations and through public consultations.

Report content;

- 1 Background to policy development.
- 2 The benefits and rationale for the policy approach
- 3 The impacts of the policy approach
- 4 The current challenge to the policy by property interests

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1 Background

The London Borough of Merton was the first local authority to adopt a target for all non-residential developments above a threshold of 1,000 m² to incorporate at least 10% of their energy needs from renewable energy equipment. This policy was adopted in 2003 and was followed by national guidance in 2004/5 that supported its pioneering approach.

Definition of the “Merton Rule”

The definition of what is referred to as the “Merton Rule” is a borough wide prescriptive planning policy that requires new developments to generate at least 10% of their energy needs from on-site renewable energy equipment. The most commonly accepted threshold is 10 homes or 1,000m² of development – though this is sometimes lower. This is the accepted definition by local (and regional) planning authorities, academic institutions, trade and professional bodies, and the development, construction and engineering industries.

The policy allows local authorities to require more than 10% on specific sites if a reasonable case can be made for doing so, and as a counterbalance, is always subject to a "viability" clause which voids the policy if a developer can conclusively prove that it would be an undue burden. The evidence base indicates that 10% renewable energy is likely to add up to 3% to build costs for a wide range of building types (Integrating Renewable Energy into New Development; Faber Maunsell; London Renewables Toolkit 2004 – www.London.gov.uk)

The Merton Rule is an energy efficiency as much as a renewable energy policy, because the more energy efficient the design and construction of the building is, then the fewer renewables will be required to meet the 10% target. The policy creates an incentive to reduce energy use.

Merton and the adjoining Borough of Croydon Council's have yet to see any evidence showing that the additional capital cost of renewable energy equipment is an undue burden on the developer, or that this additional cost cannot be realistically passed onto the end purchaser or renter of the property. The obvious advantage to the occupier/owner is lower monthly bills and added property equity.

The first Merton development required to meet the target was 4,500 m² of industrial units. There, the developer installed ten micro-wind turbines and nine kilowatts of solar photovoltaic capacity. The Council has been surprised by the response of construction companies to its policy. Whereas some detractors had argued that it would drive away developers, put off by the cost of meeting the 10% rule, in fact the opposite has proved the case. Companies building in Merton have seen the policy as providing them with an opportunity to "get ahead of the game in designing, constructing and marketing low carbon buildings for the future". This is because many companies see the widespread uptake of Merton-style rules as inevitable. In addition, the extra construction costs of less than 3% resulting from the policy can be offset by the ability of the developer to sell the units at a premium because of their energy-saving technologies.

In August 2004 the Government published its Planning Policy Statement (PPS) on renewable energy, known as PPS 22. For the first time, this required local planning authorities to give due regard to the Government's targets for renewable energy-10% by 2010 with an aspiration of 20% by 2020-in their

planning decisions. In particular, PPS 22 confirmed the legal right of councils to "require a percentage of the energy to be used in new residential, commercial or industrial developments to come from on-site renewable energy developments".

The 'Merton rule', as it has become known, has grown in popularity, with more than 80 other local authorities following suit. However, this still leaves around 330 local authorities that have not set targets. In 2006 the Planning Minister issued a Statement that endorsed Merton Rule type policies and stated that all local authorities should prepare similar guidance. Last year, the Government conducted a review of take-up of the Merton rule and found that just under half of those that could reasonably have been expected to adopt a target-i.e. those that had revised their local plans since PPS 22 came into force-had not done so. Part of the reason for this may be that local authorities do not understand the technologies, or the potential impact of adopting a target for on-site renewables.

In December 2006, the Department for Communities and Local Government (CLG) published its consultation paper for a draft Planning Policy Statement on climate change. If implemented, this will expect new developments to optimise their carbon performance and make the most of existing and planned opportunities for local renewable and low-carbon energy supplies. The new Statement would supplement, rather than replace, PPS 22 (as well as various other Statements), but would aim towards a more comprehensive approach to reducing the carbon footprint of future developments, of which local energy would be just a part.

The London Borough of Merton has set a clear example of how local government can show leadership in promoting the use of local renewable energy in new developments.

2 The benefits and rationale for the policy approach

Amongst Local and Regional Planning Authorities, building services engineers, architects, planning consultants, the renewable energy industry, and the developer community etc, the "Merton Rule" is universally recognised as being a prescriptive renewable energy planning policy that requires new building developments to cut CO₂ emissions through the use of on-site renewable energy equipment. The most commonly adopted minimum percentage target is 10% (though the Mayor of London is setting a 20% target in his revised London Plan), with the most common trigger threshold being 10 residential units and 1,000 m² of development. However in principle to policy can apply to smaller developments.

It should be remembered that the policy was adopted by Merton Council in the realisation that if it did not compel developers to install renewables then they would never do so of their own volition. However, all Local Planning Authority

policies are subject to a standard "viability" clause which prevents a planning authority from requiring the use of renewables where it can be proved to be an undue burden on the developer.

The Merton Rule has been implemented by Local Planning Authorities and the London Region for several years. The policy has been considered to be a success by the Royal Institute of British Architects, the Royal Town Planning Institute, and the Town and Country Planning Association.

The benefits and rationales for the Merton Rule policy include:

- a) The Merton Rule is an energy efficiency as much as a renewable energy policy, because the more energy efficient the design and construction of the building is, then the fewer renewables will be required to meet the 10% target.
- b) The evidence base clearly shows that the additional build cost is not an undue burden on the developer because it can in almost all cases it can be passed onto the end purchaser. If the developer is to be the occupier, then they will recoup their outlay through the lower energy bills.
- c) If all Local Planning Authorities adopt a similar policy then it will create an exponential growth in the renewable energy and associated industries. This growth will provide a secure foundation for technology research and development, and for manufacturing and installation companies to establish themselves.
- d) This industrial growth will create the economies of scale that will reduce equipment costs to the point where homeowners can afford to install them on their homes – thus spreading the use of renewable energy across the country which will further drive the economies of scale.
- e) The policy is resulting in renewable energy equipment appearing in our urban environment, and this helps immeasurably in raising awareness of both climate change and what can be done to combat it. This visible manifestation sends a crucial message to homeowners that these technologies are good, and will potentially encourage them to install them on their own homes.
- f) Installing renewable energy equipment on homes reduces monthly energy bills and as such helps address fuel poverty.
- g) Installing renewables adds equity to the property.
- h) Installing renewables into commercial developments reduces monthly energy bills and helps businesses to be more competitive.
- i) The policy is resulting in architects and engineers having to rethink the design of buildings to make them more energy efficient. It has also resulted in a considerable investment made by many companies, organizations, architects, building services engineers, planners, installers, manufacturers, and others (including some developers), in up-skilling their workforces in order to meet the requirements of the Merton Rule and other local climate change policies. The emerging knowledge-base across these professions and industries is a key component for developing the technological and commercial methods needed to meet the 2016 target for zero carbon homes.
- j) The Merton Rule is helping to evaluate the effectiveness of different types of renewable energy technologies. The huge investment made by Japan, Germany, China, the USA and other countries in manufacturing and installing photovoltaic panels, solar thermal, ground source heat/cooling and large wind turbines, indicates that these technologies are effective.

- k) The Merton Rule requires the installation of *on-site* renewables or local Combined Heat and Power networks. Distant and large-scale generation systems are subject to complex investment and public acceptance issues, and they are reliant upon distribution networks that will be at risk from increasingly extreme climatic conditions, (as was so painfully illustrated in the recent floods). The Merton Rule helps secure the UK's future energy supplies.
- l) The Merton Rule is in line and consistent with the Government's Micro-Generation Strategy.
- m) In reality, if house builders are serious about meeting the 2016 zero-carbon target, then they should have no hesitation in being able to meet a modest 10% renewable energy target now.

3. The impacts of the policy approach

The success of the Merton Rule where implemented:

There is increasing evidence that the adoption of the Merton Rule has provided a major boost to microgeneration in the UK. A good example is from London where the London South Bank University (LSBU) briefing¹ used by the London Mayor in reviewing the results of the GLA planning policies on sustainable energy identified: (¹ See <http://www.london.gov.uk/london-plan-eip/briefings.jsp>. 14.5.07 London South Bank University)

- a 23% CO₂ reduction from building regulations due to energy efficiency and a further 5.2% due to renewables, although many developments have gone well beyond these averages
- the London Plan has been responsible for a reduction of over 0.5 million tonnes CO₂ per year since its introduction over business as usual.
- the renewables contribution started to be significant around a year after the start of the London Plan and has grown steadily since.
- improved enforcement and developer understanding of requirements have led to sustained renewables growth, particularly since July 2004.
- CHP may impact on the viability of renewables
- the size of development is a factor – i.e. large developments may achieve lower percentage renewables savings, (possibly with higher CHP savings).
- a significant number of developments show 10% renewables contribution (and more) is readily achievable
- 25% of developments exceed 25% energy efficiency savings

- 25% of developments exceed 10% renewable energy contribution and 8% of developments exceed 20% renewable energy contribution. The 10% renewable target was met on average by late 2005 (the previous study suggested this would be met by January 2007)
- there has been a gradual reduction in the length of the application approval process to around 100 days per application, indicating the maturity of the policy, planners enforcement and developer understanding of what is required.

The impact of using the Merton Rule, in terms of jobs and investment

Yorkshire and Humber Assembly commissioned a report recently from ESD on the impact of the Merton Rule policy in the Regional Spatial Strategy.

In terms of value added, the headline figures are £229 million over a 15 year period or around £15 million/year on micro-generation. ESD reckons around 200 new jobs have been created in Yorkshire and Humber.

In terms of number of installations Yorkshire and Humber have housebuilding targets of around 18,000 new dwellings per year. Assuming the policy will apply to around 70% of housing development this would mean around 12,600 microgeneration installations per year.

A former council official has extrapolated these figures more widely to include all four northern England Regional Spatial Strategies, taking some allowance for variables in different housing targets (four RSS areas - 50,000 new homes per annum).

“If that were applied to all four northern England Regional Spatial Strategies we are talking of £1billion of investment over 15 years or £60million a year.”

Projections for micro-generation and carbon reduction: Merton’s evidence

It is possible to extrapolate from the implementation evidence base a reasonable projection of future equipment sales. It should be remembered that the Merton Rule is also creating jobs in many associated professions and trades including: mechanical and electrical engineering, planning, marketing, R&D, and maintenance.

Croydon has been implementing the policy around 50 times a year. In Merton the figure (if housing was included) the figure would be around 25. (An example list is attached) By adding together the combined equipment to be installed it is possible to establish an annual average for the average sized borough.

Technology	Vol ²	Cost ³	Total
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Turbines 6kW ¹	25	£20,000	£500,000
Photovoltaic	200	£5,000	£1,000,000
Thermal ⁴	2,500	£400	£1,000,000
Total			£2,500,000
¹ average kW2. ² unit/kWp/m2. ³ per unit/kWp/m			
⁴ solar/biomass/GSH/C/CHP equating to m ² solar thermal			

There are 450 Local Planning Authorities in the UK - so £2,500,000 x 450 equates to an annual total renewable energy infrastructure industry of:

£1,125,000,000 delivering a CO2 reduction of 160,000 tonnes

Set out below is a table that lists schemes in Merton and shows a range of technologies. It shows how carbon savings beyond 10% have been achieved in many developments.

Table of Merton Rule imple

Built & Monitored
Built
Under construction
Planning permission
In planning
Pre-application

A cross section of Merton Rule developments in Merton

SITE	TYPE	SIZE M ²	TECHNOLOGIES					E Effic	Equip	Total	Total
			Units	Turbines	No	PV kWp	ST m2	Heat	CO2	CO2	kg CO2
Willow Lane	Light Industrial	4,500	6kW	10	5			3,944	5,080	9,024	11.0%
Windsor Avenue	Light Industrial	4,000		2				2,773	5,200	7,973	13.0%
Miles Road	Light industrial	1,500	6kW		10			1,830	3,650	5,480	12.8%
Lidl supermarket	Retail	3,000					GSC		8,614	58,000	34.0%
Big Yellow Box	Light industrial	10,000	6Kw	1	10			2,500	7,110	9,790	12.7%
Sleepeazy	Light Industrial	10,000	15kW	2	10			11,434	12,260	23,694	9.0%
UGI	Light Industrial	7,000	15Kw	2	10			7,342	12,260	19,602	12.1%
B&Q	Retail	10,000	6kW	1	5	10	GSH	14,845	102,234	117,079	12.3%
Eastfields station	<i>Undesignated</i>	110			5			1,575	3,263	4,838	11.7%
Broadway House	Office	4,000			15	10		12,000	15,000	27,000	8.0%
Cavendish House	Office	1,100			10		Biomass	4,300	2,776	7,076	60.0%
Hartsfield Road	Retail	7,000			30		CHP		240,500		
	Hotel	2,500			70				25,620	266,120	
	Residential	78									26.0%
Kings College school	Science block	600	6kW	1				2,300	2,600		13.2%
Rowan Road EP	Residential	230			10		Biogas				
	Doctors surgery	1,200			10		CHP	40,000	40,000	80,000	80.0%
Wimbledon Police station	<i>Undesignated</i>	1,200				20		900	1,700	2,600	17.3%

Western Road	Residential	173			30		Biogas	20,000	10,980		
	Light industrial	6,000					CHP	25,000		55,980	75.0%
The Hub sports complex	Sports	6,500	6kW	1				1,200	2,600		10.4%
Manuplastics	Industrial	1,500	6kW		4			7,500	4,060		
	Retail	1,000									30.0%
Colliers Wood tower	Residential	320			100		Biogas	30,000	350,000		
	Library	1,500					CHP		36,000		
	Retail	500								386,000	40.0%
MERTON TOTAL				20	334	40	8	185,499	886,427	1,080,256	26.0%

mentations in Merton

Knowledge and Skills for 2016

“The advent of the Merton Rule and similar policies has provided a stimulus for architects and engineers to begin to develop the design and construction techniques that will be needed to build zero-carbon homes in 2016. The Merton Rule will complement the Government’s voluntary Code for Sustainable Homes and assist in building the capacity and knowledge to enable the zero carbon homes target for 2016 to be achieved.

“Many Universities now teach a range of engineering and planning courses specifically focussed on how to meet the Government’s carbon reduction strategies through mechanisms like the Merton Rule and other local initiatives such as the Woking District Heat and Power scheme. “

4 The current challenge to the policy by property interests

The threat to the Merton Rule from the draft PPS on climate change

Recently CLG civil servants held a meeting of invited stakeholders as a “sounding board” to comment on the most recent draft of the PPS on Climate Change. The most significant change to the PPS draft since the public consultation earlier in the year was the **removal of the Merton Rule** as currently defined and implemented - as a council-wide policy. Instead, the draft limited any council requirements to specific sites, flagged up in a high-level Local Development Document, with site-specific justification and an estimate of extra costs to any developer. The proposed change is understood to have arisen as a result of pressure from housebuilders but does not reflect the outcome of public consultations on the PPS1 guidance on climate change which supported the approach in the Merton Rule.

Removing the ability of councils to set a viable policy borough-wide in their planning documents - in favour of specific sites - will severely limit the number of sites benefiting from onsite renewable energy installations, not least because the PPS has primacy amongst planning documents. This could if adopted mean all district-wide council planning policies with a Merton Rule are null and void. Probably over 100 planning authorities have, or are about to adopt, a Merton Rule policy.

Merton position

Merton refutes any claim that their renewable energy policy has been a failure. The Government commissioned Faber Maunsell, a very highly regarded international engineering company, to write the Practice Guidance for the PPS on Climate Change. On page 95, 5.47 it states, "Due to the success shown in implementing such policies, it could be assumed that a 10% target has not proved to impose an undue burden on developers on most development sites."

It is Merton Council's position that the final draft of the PPS on Climate Change should be in line with the Ministerial Statement of June last year, and should expressly require Local Planning Authorities to adopt a planning policy that ensures that a significant proportion of the energy supply of substantial new development is gained on-site and renewably and/or from a decentralised, renewable or low-carbon, energy supply. Attached as Appendix 2 is a letter sent by the Council to the Minister setting out the Council's concerns. Similar letters have been sent from a wide range of organisations who are concerned that the Government should not weaken its position.

In response to these concerns the Minister has recently written to Friends of the Earth setting out the Government position and this is seen as more positive than earlier statements. Details are set out in Appendix 3.

Appendices

Appendix 1; RTPI Awards; Judges Report.

Appendix 2; Merton letter to Minister Yvette Cooper

Appendix 3: Minister Yvette Cooper letter to FOE Sept 27 2007

Appendix 1;

RTPI PLANNING AWARDS 2006

Presented on Thursday 8 February 2007: JUDGES' REPORT

CLIMATE CHANGE (*sponsored by English Partnerships*)

Award for Climate Change

to

“LONDON BOROUGH OF MERTON RENEWABLE ENERGY POLICY”

Submitted by London Borough of Merton

The so-called “Merton Rule” requires new development to generate at least 10% of its energy needs from renewable energy equipment on site. The presentation to the

judges took place on the hottest July day in recorded history, and this tended to concentrate the judges' minds.

The policy was not one which suddenly came into being when the Unitary Development Plan (UDP) was adopted in October 2003. It has been in gestation for several years, was a logical progression from other work which the Authority had done on sustainability, and was the product of considerable research and investigation. Many plans had policies which encouraged the use of renewable energy but Merton's aim was to develop a policy which actually led to action on the ground. This, it was believed, would not only make a contribution to the reduction of carbon emissions locally; it would also provide a policy which could be repeated elsewhere (and this has proved to be the case); and it would stimulate the industry to develop and market better and cheaper forms of small scale renewable energy equipment.

The policy reads as follows: "...all non-residential development above a threshold of 1000 sq m will be expected to incorporate renewable energy production equipment to provide at least 10% of predicted energy requirements..." The policy was opposed by the Office of the Deputy Prime Minister, now the Department for Communities and Local Government, because of concerns that the issue ought really to be dealt with via Building Regulations and doubts about legality under the Town and Country Planning Act 1990. Merton had to fight (and overcome) this through the public Inquiry into the UDP in 2002, and they were supported by the Inspector. Merton formed an alliance with a number of environmental and other organisations to explain the benefits of the policy to the Department, who have now not only withdrawn these reservations but are promoting the use of such policies in Development Plan Documents prepared under the Planning and Compulsory Purchase Act 2004. A large number of Authorities have followed, or are following, Merton's lead (a recent Town and Country Planning Association survey suggested a figure of 44%). Some of them are developing it further – as indeed are Merton themselves – for example to tackle residential proposals. Merton's initiative and experience provided a valuable input to PPS 22 and is reflected in the consultation paper issued by the DCLG on "Planning and Climate Change" which states that a significant proportion of energy supply (at least 10%) of substantial new development should be gained on site and renewably and/or from a decentralised, renewable or low carbon energy supply. Merton's experience is that there has been very little opposition from developers to the policy, and indeed some have been very keen to incorporate it into their schemes. B&Q for example have made a feature of it in a new store development. The additional building costs have been very low and developers have not been scared away from the area.

Working with others, such as the DTI and the London Energy Partnership, Merton have produced detailed advice and guidance for developers and also for development control officers – so that they are able to implement the policy without having to acquire significant technical knowledge. They have also developed enforcement conditions.

It has been calculated that the total installed value of installed renewables in 2004 was some £35 million and that this could rise – depending on how many Authorities adopt the policy - to an installation rate of around £750 million PER YEAR. It will also generate jobs in related sectors (R&D, architecture, legal, planning etc).

The judges were extremely impressed by this project, which meets all of the criteria set out by the Institute for the awards. Clearly it has addressed all aspects of sustainable development, and has made (or at least will quickly make) a real impact on carbon emissions and on the development of micro-renewables and the growth of the industry. It is capable of extension and development.

It is also clearly an extremely thorough and well thought-out piece of work. Those involved have not only enthusiasm but a depth of technical knowledge and expertise which the judges found impressive. They have formed partnerships and alliances with a wide range of others who are working in the field.

But above all it is ground breaking. It is new and innovative and it is already being widely adopted, including at Government level. It is not very often that an initiative of this kind, taken by a Local Authority, amidst some opposition at a higher level, becomes a model for national and local policy in this way. It is extremely welcome to find imagination and innovation of this kind being displayed at local level and it shows that planners have the ability and potential to bring about change when they are given the opportunity. It is clearly Merton who have taken the lead here, and without their considerable efforts this initiative would not have developed, or at least not as quickly, and Government policy would not have moved on.

For these reasons, the judges consider the submission merits an Award and is the **winner of the Silver Jubilee Cup.**

APPENDIX 2;

21 August 2007

Yvette Cooper MP
Minister for Housing
Department for Communities and Local Government
Eland House
Bressenden Place
London SW1E 5DU

Dear Ms Cooper

Future of the 'Merton Rule'

It is with great regret that I write to you about recent worrying reports in the media suggesting that the 'Merton Rule' is under threat. As the borough after which the Rule is named, Merton would be hugely concerned if the government now decided to scrap it under pressure from housebuilders.

The 'Merton Rule', which requires any new (commercial use) buildings to reduce carbon emissions by 10% through the use of renewable energy sources, has been one of the major drivers of renewable energy technologies in Britain. Merton Council has won several national awards as well as widespread plaudits since pioneering this key policy back in 2003.

Many environmental and planning bodies have backed the Rule, including the Royal Town Planning Institute which presented Merton with the Silver Jubilee Cup - its highest award – in February this year. Perhaps even more significant is the fact that 150 local authorities across the country have already followed suit by adopting our policy. And we were particularly pleased that you yourself indicated support for the Rule when you called for all local authorities to adopt Merton's approach.

It is therefore disappointing to learn that, following intense lobbying from the House Builders Federation, the new draft planning policy statement to be published shortly by the Department for Communities and Local Government could in effect outline the abolition of the Rule. The London Borough of Merton would strongly urge the government to continue letting councils implement renewable energy policy at a local level.

The House Builders Federation may raise objections about the costs of incorporating renewable energy production equipment in new buildings. However, Merton's experience is that there has been very little opposition from developers to the policy. Those involved in such applications have indicated that it has added just 3-4% to the build cost of their schemes. This also seems to be borne out by the feedback received by the government. Press reports on consultation over the policy suggest that only three out of 324 respondents objected to the Rule on grounds of cost.

The government's own Stern Report identified planning as one of the key methods of tackling climate change. Planners have the ability and potential to bring about change when they are given that opportunity. Here in Merton, we believe the Rule should actually be extended to include residential properties. We are therefore already looking to broaden the application of the policy as part of our structured approach to facing the challenges of climate change.

Scrapping the 'Merton Rule' would mean that local authorities lost their ability to influence developments at an early stage by working with developers on the most appropriate type of renewable energy in the pre-planning stage. Any such loss would be detrimental to the government's goal of reducing carbon emissions from buildings.

Replacement of the 'Merton Rule' with a standard policy may deprive local authorities, in locations where land value is high, of the chance to obtain a greater environmental benefit for the community. We believe discretion over the implementation of the Rule should remain in the hands of local government. The Royal Institute of British Architects has stated publicly that councils can play a huge role in driving innovation.

It is generally accepted that the imposition of higher standards of any sort (not just renewables) on development will raise costs to a different extent in different parts of the country and, moreover, that these additional costs will have a variable impact on the viability of a development in different areas across the country. This is why it is essential that local planning authorities should be permitted to retain autonomy, both in determining the cost of planning obligations and standards that they impose on local development, and the balance to be struck between these and other objectives. Only by retaining a 'Merton Rule' (or at least something very like it) in each and every local planning authority's policy portfolio will this essential flexibility be assured.

Merton Council is clear that the 'Merton Rule' is the way forward for the future of renewable energy. We would urge you to take note of the considerable arguments in favour of its retention and would ask that you renew your previous support for the policy.

Yours sincerely

Councillor Samantha George

Deputy Leader of the Council

Appendix 3;

Minister Yvette Cooper letter to FOE Sept 27th 2007.

Letter in Separate document.

Report from Planning Portal.

- [Minister provides further clarification on future of the Merton Rule](#) »

Minister provides further clarification on future of the Merton Rule

Planning and Housing Minister Yvette Cooper has explained in more detail the administration's position on the Merton Rule which green groups feared was in danger of losing Government support.

Her clarification over the use of a condition requiring new developments to provide for green energy came in a letter to interested parties and during comments at last week's Labour Party Conference in Bournemouth.

She insisted again that the Merton Rule would not be scrapped and acknowledged that it had proved "a real incentive to provide local renewable energy and cut carbon emissions".

She said: "As we gear up to our zero carbon ambition councils will be able to continue with and adopt new Merton Rules, although it is very important they are properly tested as part of development plan documents.

"Clearly Merton rules must be well founded to ensure they are achieving their ultimate aims - of cutting carbon."

She added: "We also believe they should be sufficiently flexible to allow for offsite as well as on-site renewable technologies and councils should also consider wider local carbon opportunities."

The minister stressed that the Government's upcoming planning policy advice on climate change would support local strategies that include both site (and area) specific targets and Merton-style rules.

She said area-specific targets should be set for locations where higher proportions of renewable and low carbon energy are feasible and viable.

Cooper also emphasised the need for this local approach to be set out in a development plan document - and not as a supplementary planning document - so that it could be examined by an independent planning inspector.

The minister's letter said the Government was anxious to make sure the Merton Rule was not used by councils to deter or delay development.

She said: "Our 'Merton-plus' approach will be challenging to councils and developers alike but I believe it will allow us to move to a zero carbon culture."

In a related development, Communities and Local Government has published revised technical guidance to help developers and the construction industry meet the 2016 zero carbon housing challenge.

The advice provides greater clarity on the future eligibility of renewable energy sources and how anticipated water consumption will be calculated.

Meanwhile, HM Treasury is poised to lay draft regulations before Parliament setting out the definition of a zero carbon home. New homes which meet the criteria will be exempt from Stamp Duty.