CURRIE & BROWN

The Value of Certainty.

Technical Note

To:	Essex Planning Officers Association Essex County Council	Date:	26/08/2026
Subject:	Cost Assumptions for Local Plan Viability in relation to Essex model policies GE1 (operational energy & carbon) and GE2 (embodied carbon), as published on the Essex Design Guide		

Purpose of note

This Technical Note summarises the updated cost position for operational carbon and embodied carbon requirements, including the relationship between the BCIS baseline, Part L 2021, Part L 2026 / Future Homes Standard and the Essex GE1 policy uplift.

The note is intended to provide a consistent basis for interpreting the latest cost data across Essex local plan evidence base work, and to support districts currently preparing local plans and associated viability assessments.

Operational energy & carbon cost modelling

The updated cost data is based on the latest modelling of the specifications provided by Etude as per June 2026 report comparison-of-essex-policy-ge1-with-fhs-part-l-2026-june-2026.pdf. This reflects the now-published Future Homes Standard / Part L 2026 requirements and is therefore considered a more accurate reflection of the final regulatory position than previous cost data based on consultation-stage versions of the Future Homes Standard.

Previous evidence base work referenced earlier drafts of the Future Homes Standard. The finalised regulations include some adjustments to the fabric and services specifications, but a key change is the separation of PV from the Part L1A compliance route and its inclusion under the new Part L3 requirements. This means that PV is now required separately from the wider carbon compliance calculation, subject to relevant technical exemptions.

One consequence of this is that homes built to the operational energy and carbon specification that meets model Policy GE1 may now need to include PV in line with Part L3 requirements, even where a lower level of PV may otherwise have been sufficient to achieve an operational energy balance. Previous cost figures were correct at the time of publication, but some relative costs have changed since then. The updated cost table presented below should therefore be used as the preferred current position.

BCIS baseline and regulatory uplift approach

The base BCIS cost has been treated as a market-based starting point, assumed for the purposes of this analysis to broadly reflect Part L 2013. Modelled uplifts have then been applied to reflect the movement from:

— Part L 2013 to Part L 2021;

— Part L 2021 to Part L 2026 / Future Homes Standard; and

— Part L 2026 / FHS to the Operational Energy & Carbon policy GE1 specification.

For the Part L 2021 adjustment, the analysis includes an allowance of £50/m² for houses and £25/m² for flats. This is intended to reflect the additional cost of bringing the BCIS baseline to a Part L 2021-compliant position.

It is recognised that viability consultants may take a different view on how far current BCIS data already reflects schemes delivered to Part L 2021, particularly given that the BCIS dataset will include buildings delivered over a range of regulatory periods. For example, where a viability consultant has previously adopted a 1% uplift to reflect the transition from Part L 2013 to Part L 2021, this approach can still be used by applying the absolute £/m² policy uplift figures to their preferred baseline.

This is important because the percentage uplift is sensitive to the selected baseline build cost. The absolute £/m² uplift is therefore the more stable figure for applying the policy cost adjustment across different viability baselines.

Operational energy & carbon capital cost estimation methodology

The capital cost assessment has been undertaken to quantify the incremental cost impact of enhanced energy and carbon performance relative to defined regulatory baselines. Costs are presented both as an incremental uplift (£/m² GIA) from the baseline specification to improved energy scenarios, and as a percentage uplift relative to BCIS baseline build costs, to support comparison with viability benchmarks.

The uplift costs associated with each specification were estimated based on Currie & Brown's cost datasets for energy efficient and low carbon technologies. These incorporate information from market prices, specific market testing and first principles cost planning by specialist quantity surveyors.

The costs are based on current Q2 2026 prices and reflect an Essex cost base (Location Index: 104%).

Costs were developed for each building element linked to energy efficiency or carbon emissions, principally external envelope and building services. Those elements that are not materially affected by the energy efficiency / low carbon technology options. E.g., substructure, roof coverings, kitchen and bathrooms, etc, were not costed in detail. Instead, these costs were incorporated within a 'balance of construction' cost estimated using a typical baseline whole building construction cost per m² for the building type in question.

The baseline build cost was taken as being for a building constructed to meet minimum regulations only. Reference baseline build costs were derived using BCIS average mean rate for houses and flats for the period of the last 5 years rebased to Q2 2026 and Essex location, with an explicit uplift applied to reflect Part L 2021 compliance.

It should be noted that total build costs can vary significantly dependent on design and specification choices to reflect target market requirement.

Embodied carbon cost assumptions

For embodied carbon, no additional capital cost has been assumed where the policy requirement is based on a limit value of 500 $kgCO_2e/m^2$, provided this aligns with the Essex model policy position (GE2) and technical evidence base position.

This is because the evidence suggests that this level can be achieved without requiring amendments to the reference specifications. On that basis, the embodied carbon requirement is not expected to generate a separate material capital cost uplift at this stage.

If more ambitious embodied carbon targets were introduced, or if a more comprehensive assessment process were required, then this position may need to be reviewed.

Capital Cost Headline Results for Operational Energy & Carbon (net zero)

Table 1: Base Case cost and Cost uplifts for different scenarios in £ per m^2

	Base cost (BCIS assumed to reflect Part L 2013) (£/m^2)	Uplift for Part L 2021 over Part L 2013 (£/m^2)	Uplift for Part L 2026 (FHS) over Part L 2021 (£/m^2)	Uplift for Essex model Policy GE1 over Part L 2026 (£/m^2)	Total uplift over Part L 2013 (£/m^2)	Total uplift over Part L 2021 (£/m^2)	Total uplift over Part L 2026 (FHS) (£/m^2)
Bungalow	£1,923	£50	£65	£100	£215	£165	£100
Semi detached	£1,923	£50	£44	£85	£179	£129	£85
Mid-terrace house	£1,923	£50	£52	£95	£197	£147	£95
High-rise block of flats	£2,663	£25	£26	£56	£107	£82	£56
Mid-rise block of flats	£2,208	£25	£31	£65	£121	£96	£65
Low-rise block of flats	£2,208	£25	£69	£92	£186	£161	£92

Table 2: Base Case cost and Cost uplifts percentages for different scenarios

	Base cost (BCIS assumed to reflect Part L 2013)	Uplift for Part L 2021 over Part L 2013	Uplift for Part L 2026 (FHS) over Part L 2021	Uplift for Essex model Policy GE1 over Part L 2026	Total uplift over Part L 2013	Total uplift over Part L 2021	Total uplift over Part L 2026 (FHS)
Bungalow	0%	2.6%	3.3%	4.9%	11.2%	8.4%	4.9%
Semi detached	0%	2.6%	2.2%	4.2%	9.3%	6.5%	4.2%
Mid-terrace house	0%	2.6%	2.6%	4.7%	10.2%	7.5%	4.7%
High-rise block of flats	0%	0.9%	1.0%	2.1%	4.0%	3.1%	2.1%
Mid-rise block of flats	0%	1.1%	1.4%	2.9%	5.5%	4.3%	2.9%
Low-rise block of flats	0%	1.1%	3.1%	4.0%	8.4%	7.2%	4.0%