

# ESG in the built environment: How can we make development more efficient without sacrificing on environmental and social ambitions?

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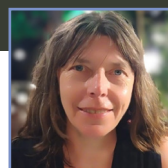
Panel discussion at UKREiiF



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## Introduction

This panel discussion took place at the UKREiiF conference in Leeds, hosted by Winvic. Panellists examined how the UK can meet ambitious housing and infrastructure targets while delivering on its net zero goals – notably a fully decarbonised electricity grid by 2030. Sustainability is now embedded across the sector; the challenge is aligning the various policy measures currently in the pipeline, especially planning reform. Key themes included delays and uncertainty in the planning system, fragmented ESG frameworks across local authorities, the urgent need for grid reform, barriers to solar PV deployment, and how to balance strategic nature recovery with access to green space. A follow-up roundtable in Westminster this July will continue the conversation on embedding ESG in the built environment.



## Key takeaways

### “The planning system isn’t working for developers, local people, or councils.”

- Planning reform is essential to meeting the government’s housing, infrastructure and ultimately growth ambitions alongside environmental and social principles — 1.8 million people are on the UK social housing waiting list.
- Planning applications are profoundly slow — “every day I’m asked by clients about the speed of planning.” One application in Central Bedfordshire took seven years to receive consent, despite being allocated in the local plan. In contrast, consents in Japan are routinely granted within 12 months.
- Delays from Section 106 agreements — whereby developers commit to providing social contributions — can take one to two years to negotiate and only start after planning approval is granted. These delays increase financial risk, extend supply chains, and undermine ESG commitments.
- ESG ambitions are often diluted during negotiations or blocked by opposition. Planning reform and resourcing, both common bottlenecks in development, must go hand-in-hand.
- Some local authorities are quicker than others. Developing partnerships makes a huge difference, but they take time, not all councils take a collaborative approach.

### Fragmented ESG frameworks between local authorities

- ESG requirements vary considerably — “there’s no consistency across the country, even though we’re working towards the same goals”. In some areas, net zero is a planning requirement. ESG isn’t referenced at all in other regions.
- Inconsistency means opportunities to meet environmental and social objectives are missed, meanwhile developers face greater complexity, leading to higher costs.
- Different frameworks (UK GBC, RICS, BREEAM) have “operated in silos...but this is beginning to shift”. The ESG part of the equation needs to be consistent because of the tendency for other factors to change — e.g. shifting guidance under Part L, which initially favoured gas, then switched to electricity, creating uncertainty ahead of the Future Homes Standard.

### Reforming the grid “while running the system”

- Grid connectivity is a major constraint on a more sustainable built environment. Developers face delays of 12 to 24 months for approvals, leaving solar-ready buildings idle and preventing compliance with EPC A+ or net zero standards.
- The UK’s grid was designed for a centralised energy system, but is now being asked to support a decentralised, renewables-led model. “We’re not just rebuilding the grid, we have to leapfrog it.”

## Installing more solar PV

- Processes G99 and G100, which govern the connection of solar and battery systems to the electricity grid, require multiple, sequential approvals – even for modest installations.
- These delays are particularly acute outside urban centres, where off-site infrastructure is often lacking and beyond developers' control. In many cases, Section 106 obligations cannot fund or legally cover the off-site grid work required, compounding delays.
- Developers are increasingly expected to deliver 100% net zero buildings, particularly in London, where planning guidance is more prescriptive, but often cannot switch the solar on. PV systems are installed to meet EPC or planning conditions, yet remain inactive for up to two years while awaiting connection.
- The problem reflects a wider failure of implementation. "Policy is often in place, the real issue is delivery." Without aligning planning, infrastructure, and regulatory systems, sustainability targets will remain out of reach.
- The government is expected to announce a series of major policy packages by the summer: the revised Future Homes Standard, the Warm Homes Plan, the Grid Reform Programme, and a refreshed National Infrastructure Strategy. The Planning and Infrastructure Bill, now at committee stage in the House of Commons, is central to the government's development and growth plans but is unlikely to pass before summer recess towards the end of July.

## Nature recovery

- Biodiversity Net Gain (BNG) is sometimes seen as low quality in its implementation and not sufficiently ecological, "it's driven by spreadsheets". Consequently, monitoring is limited.
- Well-intentioned, but minor, interventions like hedgehog highways and swift boxes should not dictate our recovery strategies. "Nature isn't just about hedgehogs, it's about landscapes." The priority should be to deliver ecological value at scale through strategic restoration.
- Green infrastructure must still be central to development. "Landscape planners are really good and ambitious, we need to lean into this more." Access to nature near homes and workplaces remains essential for wellbeing, placemaking, and local support.
- Nature recovery and urban green space are not in conflict, but current mechanisms often fail to deliver either well. Reform must raise the quality of BNG while embedding nature visibly and meaningfully into the built environment.

## Issues raised

### Skills

Planning obligations often reference skills and training, but fragmented project cycles and limited contractor retention make delivery difficult. While large developers have built their own training hubs, this isn't a scalable solution. The UK's chronic skills deficit across construction needs to be addressed directly and from the top.

### Strategic planning

"Strategic planning needs to look 10–15 years ahead, not just five." Five-year horizons in local plans are simply insufficient. A national land-use framework was proposed to align planning with long-term objectives across housing, energy, and nature, but progress has stalled. Such a framework would help coordinate infrastructure and environmental delivery by clarifying what land is for and where, resolving conflicts between growth, climate, and nature. Fit-for-purpose plans over long time horizons are contingent on effective coordination between planners, developers, and the government at various levels. Working within a shared vision is essential for large-scale, capital-intensive projects.

### Investment

Planning uncertainty, fragmented ESG regulation, and delays in energy infrastructure are driving investment away. "We've delivered energy-positive buildings in Europe. In the UK, we can't – the red tape prevents us." Developers compared the UK unfavourably with jurisdictions like Japan and the US, where planning and permitting processes are faster and more predictable. Without greater regulatory coherence and clarity, the UK risks losing sustainable capital to markets that are better aligned on delivery.

## Recommendations

- Introduce a national ESG baseline for local authorities to reduce fragmentation and support consistent delivery.
- Resource local planning departments to accelerate decision-making and Section 106 negotiation.
- Reform grid connection processes to speed up solar and battery deployment.
- Prioritise landscape-scale nature recovery and embed it into plan-making.
- Extend the planning horizon through a national land-use strategy aligned with climate and energy targets.
- Develop a long-term skills pipeline for the built environment, with shared responsibility between government, industry, and education providers.

## Sources

Inside Housing: Social housing waiting list could reach two million people and take more than two decades to clear

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