

Sent by email to: Policy.Consult@surreyheath.gov.uk

29/07/2018

Dear Sir/ Madam

Response by the House Builders Federation to the Surrey Heath Local Plan consultation

Thank you for consulting the Home Builders Federation (HBF) on the issues and options/ preferred options consultation. The HBF is the principal representative body of the housebuilding industry in England and Wales and our representations reflect the views of discussions with our membership of national and multinational corporations through to regional developers and small local housebuilders. Our members account for over 80% of all new housing built in England and Wales in any one year.

Our concerns are set out in detail below however, if you would like to discuss any of these comments please contact us. We would be happy to discuss the concerns of our members with regard to the plan and those amendments that would help to support the delivery of much needed housing in Surrey Heath.

Housing needs

The consultation document outlines the Council's intention to use the standard methodology. Whilst the HBF support the use of the Standard Methodology we would also highlight that Government consider this to be the starting point for assessing housing needs. Most pertinently on page 26 of the draft PPG consultation document¹ it is stated that:

“The need figure generated by the standard method should be considered as the minimum starting point in establishing a need figure for the purposes of plan production”

The Draft PPG goes on to state on the same page:

Where it is likely that additional growth (above historic trends identified in household projections) will occur over the plan period an appropriate uplift may be applied to produce a higher need figure that reflects that anticipated growth. Circumstances where an uplift will be appropriate include, but are not limited to;

¹ At time of writing PPG had not been updated in line with NPPF.

where growth strategies are in place, strategic level infrastructure improvements are planned, funding is in place to promote and facilitate growth (i.e. Housing Deals, Housing Infrastructure Fund).

These considerations do not seem to have been undertaken with regard to the housing need figure arrived at from the standard methodology and must be undertaken prior to arriving at a final housing requirement.

One of our main concerns regarding the Council’s current approach has been the lack of consideration given to the ensuring the economic needs of the HMA are addressed through each of the Plans. The 2016 Strategic Housing Market Assessment at paragraph 11.76 considered that the level of housing growth that was required to support the economic needs of the area was 1,200 dwellings per annum. In order to meet these needs across the HMA the SHMA identified the following level of housing growth:

- Surrey Heath – 382
- Rushmoor – 436
- Hart – 382

What is clear from the recently examined Rushmoor Local Plan and the recently submitted Hart Local Plan is that both authorities will ensure housing needs support the economic growth expectations for the area. We would suggest that it is imperative that Surrey Heath takes a similar approach and seek to deliver the level of housing required to support economic growth. Given that the Enterprise M3 Local Enterprise Partnership has allocated significant funds for transport and public realm improvements for Camberley and the Blackwater Valley from the Local Growth Fund it is surprising that the Council has looked to deliver a lower figure than that suggested in the SHMA.

It will also be necessary for the Council to consider the level of affordable housing needs when establishing its housing requirement. Whilst the latest updates to PPG on housing needs assessment are still to be published, the draft guidance echoed the requirement in previous guidance at paragraph 2a-029. This paragraph states:

“The total affordable housing need should then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing led developments. An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes.”

Given this it is important to consider the level of affordable housing needs within the HMA in general and Surrey Heath in particular. Figure 10.26, replicated in the table below, of the Nov 2016 SHMA provides a clear indication of the scale of the need for affordable housing.

LPA	Subsidised Rent	Subsidised Home Ownership
Hart	130	180

Rushmoor	160	220
Surrey Heath	100	190
Housing Market Area	390	590

This shows that affordable housing needs forms 82% of the Council's OAN and that affordable housing needs across the HMA will not be addressed even at the levels being taken forward by Rushmoor and Hart. At the very least this would indicate that the Council should look to meet the level of needs set out in the SHMA to deliver 382 homes per annum.

Duty to co-operate and meeting housing needs

The Council has stated in the consultation document that it cannot meet its housing needs within the Borough and that any unmet needs within the plan period will be met elsewhere within the HMA. In establishing this position the Council cites the Hart's pre-submission local plan and Duty to Co-operate Statement as evidence of this situation. Whilst there has clearly been an improvement in the level of co-operation within the HMA since Hart's last local plan failed on this issue, we remain concerned that the approach being suggested will lead to the housing needs of Surrey Heath not being met. Our concern is in relation to perceived capacity within the HMA to meet the unmet needs of Surrey Heath and in particular:

- The assumption that the standard methodology will automatically replace the OAN established in the SHMA for those plans examined and adopted under the current NPPF;
- That the proposed new settlement in Hart will start to deliver by 2024.

Standard methodology

The duty to co-operate statement outlines in Table 2 at paragraph 3.4 that there is a reduction of 262 dwellings per annum (dpa) in the OAN across the HMA if the standard methodology is used. We would not disagree with this assessment but it is important to note that the assumptions in the duty to co-operate statement are based on the Government's white paper. These assumptions will need to be reconsidered against the revised NPPF and PPG that was published on the 24 July. As outlined above both these documents provide significantly more detail as to how the standard methodology should be implemented and most importantly that it is a starting point for any assessment of needs and not necessarily the final figure.

What the two paragraphs on page 26 of the draft guidance mentioned earlier in this response clearly recognise is that there will be circumstances where the economic needs of an area require the delivery of a higher level of housing than that proposed by the standard method. As such the figure that results from the standard method must not be taken as the housing requirement for an area but as the starting point. Therefore consideration needs to be given to ensuring the economic growth expectations of an area are supported by an area's housing requirement.

In the case of both Rushmoor and Hart the level of housing need and their respective housing requirements have been informed by the economic growth expectations for the

HMA and have set their housing requirements accordingly, in line with both NPPF and PPG. Therefore had the standard method been in place for the examination of both these plans it would have been the starting point for any consideration of housing needs but the eventual housing requirement would have reflected the economic growth expectations for the area. As such there is no additional capacity within the HMA to meet Surrey Heath's housing needs as a result of the standard method's introduction.

Given that the Enterprise M3 Local Enterprise Partnership has targeted the Blackwater Valley with funding to improve connectivity and public realm improvements to facilitate economic growth it evident that the standard method must be seen very much as the starting point for housing needs across this HMA. Therefore when calculating the capacity within Rushmoor and Hart to meet the needs of Surrey Heath the Council must base this on the economic growth led housing delivery expectations set out in the latest SHMA. Both of these LPAs have set requirements that ensure the economic growth expectations are supported by the requisite housing delivery, and an approach supported by the latest drafts of both the NPPF and PPG.

Proposed new settlement in Hart

Hart have made a commitment to start planning for a new settlement to meet longer term development needs. Such commitments are welcomed and recognise the need to start planning for the future needs that will be addressed in the next plan period. However, we would question the optimistic assumption made in the Hart local plan that this new settlement will start delivering homes by 2024/25. By the time the Hart Local Plan has been adopted that will leave five years for the Council to undertake a lengthy and complex process of identifying the most appropriate location for the settlement within its area of search, acquire land, master planning, funding applications and plan preparation prior to an application being made for development let alone infrastructure providers and developers beginning to deliver the proposed homes and facilities.

The report "Start to Finish" produced by Lichfield's examines the time taken for development to come forward and provides some clear evidence that would suggest the Council's optimism is misjudged. This report outlines that it took on average 3.9 years for sites to move from identification of a site for housing through to permission being granted. However, this average masks a considerable range from 8 years through to 6 months. Considering that Hart have only identified a broad area of search within their plan and propose a spate development plan to support this proposal we would expect this process to be at the upper end of this range. Even then the Council would still need to obtain planning permission which can take a considerable amount of time depending on the scale of development. However, the more time spent prior to the application should lead to a shorter period for gaining a planning approval.

What cannot be certain for the purposes of preparing a new local plan for Surrey Heath is that this settlement will start delivering by 2024/25. The likelihood is that if it does deliver homes during this plan period with will be much later with the majority of development at this new settlement meeting the needs of Hart's next local plan. In addition there is little incentive for Hart to progress the delivery of this village. No policy is proposed in their

plan to take on board the unmet needs of Surrey Heath and begin to deliver these homes and to be monitored against this expectation.

Conclusions on the duty to co-operate and Surrey Heaths housing needs

At present there is no certainty that the unmet needs of Surrey Heath will be met and if this situation remains the same the plan cannot be considered sound. The Council must identify with far more certainty how it intends to meet its housing needs within this plan period either in Surrey Heath or through commitments and allocations in other local plans that provide a far greater degree of certainty than is currently the case.

London's unmet housing needs.

Like all authorities across the South East the failure of London to meet its own housing needs is significant and should be considered through both the SHMA and the Duty to Co-operate. For a number of years now the Capital has not been meeting its own housing needs. The latest monitoring report published by the GLA shows that they have delivered circa 39,000 in 2015/16 against their target of 42,000 homes. This continued failure to meet needs and the ever increasing backlog should be considered by Surrey Heath with a view to uplifting its housing requirement to reflect the potential increase in migration from London.

Whilst the new London Plan has indicated that the capital will meet its own needs and the backlog that has accrued we would suggest that there is significant doubt that the higher levels of delivery expected of the outer London borough's will be achieved. In South West London both Richmond upon Thames and Kingston have both indicated they will be unable to meet this higher housing targets in the new London Plan which increase by 496 dpa and 721 dpa respectively. This situation is further compounded due to the Mayor seeking to prevent these Borough's from meeting needs through Green Belt release. If these authorities cannot meet their targets then there will be inevitable outward pressure on all those counties that border London. It is therefore important that Surrey Heath engages with relevant London Borough's to fully understand their position and ability to increase housing delivery at the level's suggested in the London Plan.

Meeting housing needs – Green Belt release

The Council's approach to meeting housing needs would seem to have been informed from the start by what is constraining development. This very approach is not the positive one that is considered necessary by the NPPF. We recognise that an essential part of the plan making process is to consider the environmental and policy constraints that will affect delivery it is important that Council's do not seek to hide behind these constraints. This position is clearly reflected in the PPG in the section on undertaking assessments of land supply with paragraph 03-011 stating:

“An important part of the desktop review, however, is to test again the appropriateness of other previously defined constraints, rather than simply to accept them.”

In paragraph 3.17 of the consultation document the Council have stated that they do not consider at this stage that there are “... *any overriding Exceptional Circumstances to warrant the alteration of Green Belt boundaries*”. This statement is made on the basis that Hart and Rushmoor will meet any unmet needs arising within Surrey Heath. However, as we have outlined above this cannot be considered a certain outcome of the Council’s co-operation. There are no concrete allocations or commitments made in either Rushmoor’s or Hart’s local plan that will ensure that Surrey Heaths needs are met. As such the Council cannot make such a decision. We would suggest that the Council’s housing needs and in particular its inability to meet its growing need for affordable housing, as suggested in paragraph 3.49 of the consultation document, are sufficient to warrant amendments to the Green Belt boundary. We would also suggest that the extent of the Thames Basin Heaths Special Protection Area (TBHSPA) across the Borough is sufficiently exceptional to consider how Green Belt release could facilitate housing delivery to meet needs and the necessary mitigation to support such development.

Whilst we are sure the Council are aware of the case of Calverton Parish Council v Nottingham City Council, Broxtowe and Gedling Borough Council [2015] EWHC 1078 it is worth noting that this case highlights the importance of considering housing needs and supply against the nature of the Green Belt when assessing whether exceptional circumstances are present. The Council’s ability to meet its own needs are constrained not only by a lack of capacity in its urban areas but also the extent of the TBHSPA. Such circumstances are exceptional and we suggest the Council reconsiders their approach to Green Belt. In particular we would suggest that the Council undertakes a more fine-grained approach to its Green Belt assessment. At present the Council’s assessment of the Green Belt has only looked at the degree to which broad parcels meet the purposes of Green Belt and a more fine grained assessment could identify smaller parcels of land that could be developed without harming these purposes, or where any harm could be mitigated against.

Specialist Housing

Whilst we support the inclusion of a policy to support the delivery of specialist housing provision we would suggest that this consideration needs to go beyond C2 accommodation and look to support the provision of housing that meets a wider range of homes for older people. The identification of such needs and policies supporting their delivery not only have the benefit of providing greater choice but also potential free up houses in the existing stock to meet the needs of families and young people.

Meeting housing needs, Housing Mix and Affordability

Any approach to housing needs, mix and affordability need to provide the necessary flexibility to ensure that where the Council’s policies are not physically feasible or financially viable they can be set aside. It would appear from the Council’s preferred approach to housing mix and affordable housing that such statements will be included in policy, an approach that we would endorse - and one that provides the necessary clarity to the decision maker as required by paragraph 17 and 154 of the NPPF. However, we do have concerns with regard to the cumulative impact of policies on viability, option technical standards and the design and integration of affordable housing.

Viability

The only requirement specified in this section of the consultation paper is the affordable housing requirement which the Council is proposing to set at 35%. This level of delivery has been tested in the viability study however it has been recognised in that study that it has not been possible to test the full cumulative impacts of the plan on development viability has not been tested. The study correctly highlights that this will not be possible until the final policy requirements, such as those with regard to open space and access standards, are established. It will be important for all policy requirements to be tested as it is the cumulative impact of these policies that are likely to have an impact. This is especially important in an area such as Surrey Heath where the mitigation measures for the Thames Basin Heaths have in the past been substantial.

We would also suggest that the policy reflects the evidence in relation to retirement housing. This Viability Assessment suggests that even at a lower rate of 30% such developments will struggle to deliver affordable housing onsite in addition to the level of CIL necessary to mitigate the impacts of residential development on the Thames Basin Heaths and improve infrastructure. We would recommend that in relation to retirement accommodation that the contribution for affordable housing be a financial contribution recognising the unique circumstances regarding the viability of such schemes.

Optional technical standards

With regard to the housing mix policy the percentage of development provided to part M4(2) must be based on evidence as set out in current guidance and needs to take account of the need for such homes, the current supply of accessible homes and the impact on viability of meeting the higher optional standards. It is important to remember that when considering the needs for such housing the Government made the decision, despite being faced with the evidence of an ageing population, not to make these standards mandatory. In doing so it recognised that the mandatory requirements of part M4(1) were sufficient to meet the needs of the majority of households and that the higher standard should be based on specific needs for such accommodation rather than generic and national concerns regarding an ageing population.

Tenure blind design and integration of affordable housing

We would suggest that the Council removes reference in the housing mix policy for design to be tenure blind and in the affordable housing policy for the integration of affordable housing to be integrated throughout the site. The approach to how properties are designed and located across a site should be left to the developer with regard to the design policies established elsewhere in the local plan. Provision of affordable homes will be for very different customer and the design and type of material used will inevitably be different and the proposed policy fails to recognise this situation. This is no different for many developments where there is a mix of housing types, styles and quality to meet the demands and financial resources of different consumers. It may also be more appropriate for the management of affordable housing units for these to be provided in one location. The approach suggested for the integration of affordable units across a site cannot,

therefore, be considered to be an effective policy and we would recommend that it not be taken forward into future iterations of the plan.

Preferred approach to design

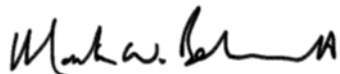
The Council's preferred policy on sustainable water use includes requirements for developments to make use of grey water technology and provide opportunities for the collection of rainwater. The Council should not require any further requirements beyond those established in the optional technical standards. The Government have stated in paragraph 150 of the revised NPPF that any requirements for sustainable building should reflect the policy on national technical standards. As such further requirements on water use cannot be considered to be consistent with national policy.

Similarly with regard to the use of renewable energy and energy efficiency the Council should not require standards that go beyond those set out in the optional technical standards. The Government have been clear in PPG and ministerial statements that it will seek to improve energy efficiency through Building Regulations and not the planning system.

Conclusion

We hope these representations are of assistance in taking the plan forward to the next stage of plan preparation and examination. Should you require any further clarification on the issues raised in this representation please contact me.

Yours faithfully



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