

SENT BY EMAIL
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Dear Sir/ Madam

SURREY HEATH LOCAL PLAN – MAIN MODIFICATIONS

1. Thank you for consulting with the Home Builders Federation (HBF) on the main modifications to the Surrey Heath Local Plan.
2. HBF is the principal representative body of the house-building industry in England and Wales. Our representations reflect the views of our membership, which include multi-national PLC's, regional developers and small, local builders. In any one year, our members account for over 80% of all new "for sale" market housing built in England and Wales as well as a large proportion of newly built affordable housing.

MM1

3. The main modification is unsound as it continues to reference a plan period that is inconsistent with the approach taken to assessing housing needs as set out in Planning Practice Guidance (PPG). The approach proposed by the Council seeks to use the over supply from previous years in order to reduce the housing requirements in future. The PPG is clear in 2a-011 and 68-031 of PPG that any past supply is taken into account when the local housing needs assessment is undertaken. In effect what was delivered prior, the assessment of needs being undertaken has been factored into the standard method and what must be planned for in the future, to then use past over supply to reduce the number of homes to be built in future is wholly at odds with the standard method and simply double counts the impact of that over supply.
4. To back date the standard method as proposed fails to recognise this key principle in the standard method. This was most recently recognised by the Inspector examining the Winchester Local Plan, which also looked to back date the standard method in order to take account of supply in excess of the standard method prior to the point at which it was calculated. This was discussed at length at the hearing with inspector concluding in her post hearing note

"However, I am not convinced by the way in which the Council has derived the Plan's housing requirement from LHN. The Plan's most recent calculation of LHN was in 2024. The Plan's housing requirement as set out in policy H1 runs from 2020-2040. The Plan's housing requirement therefore includes completions since the start of the Plan period. It therefore includes completions that took place before the latest calculation of LHN."

The calculation of LHN is a forward-looking assessment of housing needs. From the point at which LHN is calculated it takes account of what has happened in previous years. The National Planning Practice Guidance (PPG) confirms that in calculating LHN using the standard method, the affordability adjustment is applied to take account of past under delivery. Whilst the PPG refers to past under delivery in this light, and is silent on over-delivery, I take a common-sense approach on this matter. For this reason, past supply prior to the latest calculation of LHN (2024) should not be taken into account in deriving the Plan's housing requirement due to the effect of the affordability ratio in the standard method."

This approach was then confirmed in paragraph 98 and 99 of her final report:

"98 Local plans should be up to date and the calculation of LHN should be a for-ward-looking assessment of housing needs. National guidance expects LHN to be calculated at the start of Plan making and kept under review and revised where appropriate. However, each calculation of LHN amends the previous calculation.

99. Using the most recent calculation of LHN results in a LHN of 10,816 dwellings 2024-2040. The Plan should be corrected to indicate the latest calculation of LHN in 2024 running to the end of the Plan period which is 2040. That is necessary to ensure that the Plan accords with national policy, is positively prepared, justified and effective."

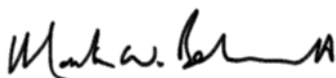
5. The HBF considers it necessary for the plan period to be amended if the plan is to be consistent with national policy and sound. HBF accepts that in cases where there is under supply, this is not carried forward from the point at which needs are assessed – and that this approach is consistent with national policy. To therefore allow back dating such as being proposed will create confusion and simply allow local authorities to adopt the approach that best meets their own circumstances – a situation that cannot be considered a correct approach to planning and the application of national policy and guidance. Therefore, the proposed modification and the approach in SS1 is unsound. The modification must be deleted and replaced with one that plans housing from the year in which the assessment of housing needs was undertaken.

MM60

6. The proposed modifications to this policy now include the expectation that each home will be required to achieve a maximum space heating standard of 30kwh/m2/yr and energy consumption of no more than 40kwh/m2/yr. HBF recognises that local planning authorities are currently able to set performance standards on the basis of the Planning and Energy Act 2008. This is recognised in the Written Ministerial Statement on Local Energy Efficiency Standards published in December 2023 which states that these standard should be rejected unless they are robustly justified, do not impact on the viability of development and the supply of new homes and are based on Target Emissions Rate calculated using the Standard Assessment Procedure (SAP).

7. Firstly, the requirement to achieve a specific space heating standard or energy use standard as is being proposed is not consistent with the WMS in that it is not based on SAP. On this basis the policy is unsound. While it is recognised that a net zero target would be consistent with current policy nowhere in national planning policy are standards relating to space heating and overall energy use specifically supported. Indeed, NPPF itself states in paragraph 164b that any requirements for the sustainability of buildings should reflect Government's policy for national technical standards. Given this inconsistency with national policy, it cannot be considered to be a necessary modification to make the plan sound. In fact, the proposed modification means that the plan is now inconsistent with national policy and as such it is counterintuitive for the inspector to support the proposed modification regardless of whether other inspectors have supported this approach when included in local plans at the point of submission.
8. Secondly, while the viability evidence considered the inclusion of this policy not to impact on viability there is no consideration as to the impact on the rate at which new homes will come forward. A test of deliverability needs to go beyond a general whole plan viability study and understand what this actually means for the developer building these homes. Are there the skills and supply chains to deliver this standard in the short and medium term.
9. When considering the approach set out in the proposed modification of this policy consideration will need to be given to the new NPPF, which is expected to be adopted before the summer recess. The current draft expressly states in policy PM13 that local plans should "*Not cover matters which are already addressed by Building Regulations ...*" and not cover "*Not cover matters relating to the construction or internal layout of buildings unless they are to implement the nationally described space standard*". While this plan would be examined under the 2024 NPPF the transitional arrangements would mean that policies that are inconsistent with the new Framework will be given very limited weight. Given that this modification would be inconsistent with PM13, if it is retained in the new NPPF, we would recommend that it is deleted and replaced with an approach that is consistent with national policy.

Yours sincerely,



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