

Planning Policy,
Surrey Heath Borough Council,
Surrey Heath House,
Knoll Road,
Camberley,
Surrey,
GU15 3HD.

20th September 2024

By Email: planning.consultation@surreyheath.gov.uk

Dear Sirs,

**CHURCHILL LIVING & MCCARTHY STONE RESPONSE TO THE SURREY HEATH
BOROUGH COUNCIL DRAFT LOCAL PLAN 2019-(REGULATION 19)
CONSULTATION**

Churchill Living and McCarthy Stone are independent and competing housebuilders specialising in older persons housing delivery. Together, we are responsible for delivering approximately 90% of England's specialist owner-occupied retirement housing each year.

We respond to the policies of the consultation insofar as they impact the delivery of specialist accommodation for older persons.

POLICY SS3a: Climate Change Mitigation

Draft policy SS3a requires;

...major applications to deliver net zero carbon development, unless it can be clearly demonstrated with evidence that this is not feasible and/or viable. Where it is clearly demonstrated that it is not financially or technically viable to achieve net zero-carbon development on-site, any shortfall in carbon reductions should be addressed via off-site measures or through the provision of a carbon offset payment secured by legal agreement.

Given that the council's [Local Plan Viability Assessment](#) 2024 has demonstrated that the viability of housing for older people is challenging (even without factoring in affordable housing), **the above policy should be amended in order to clarify that any off site measures including financial payments are also subject to viability considerations.**

POLICY E3: Biodiversity Net Gain

The Council's commitment towards new development achieving a minimum of 20% net gain for biodiversity is not supported by positive viability evidence for all housing typologies.

In particular, housing for older persons has been shown to be on the edge of viability within the council's plan wide viability evidence base as noted above and in the following housing related comments.

We note that the biodiversity net gain requirements exceed those put forward required by *The Environment Act* (2021). We would respectfully challenge the suitability of an enhanced requirement on previously developed sites in urban area on three grounds:

- It is our view that *ad hoc* habitat creation from small sites (0.5ha and under) in urban environments will be small scale with a limited level of habitat creation from sites.
- The reuse and intensification of urban sites reduces the need for greenfield sites which is a significant environmental benefit in itself.
- Viability of brownfield sites.

Paragraph 6.29 of the supporting text states that the [Local Plan Viability Assessment](#) 2024 has demonstrated that 20% BNG requirement will not impact viability of delivery of housing sites. However this is not the case for all typologies and the plan wide viability study concludes at 6.36 that:

Specialist older persons housing was not viable in either value area, on greenfield or brownfield land, even without affordable housing.

The Local Plan Viability Assessment has therefore not shown that BNG requirements over the nationally prescribed 10% is achievable for all housing typologies.

The Council should also note that the recently finalised Planning Policy Guidance on Biodiversity Net Gain at paragraph: 006 Reference ID: 74-006-20240214 confirms that '*Plan-makers should not seek a higher percentage than the statutory objective of 10% biodiversity net gain, either on an area-wide basis or for specific allocations for development unless justified. To justify such policies they will need to be evidenced including as to local need for a higher percentage, local opportunities for a higher percentage **and any impacts on viability for development.** Consideration will also need to be given to how the policy will be implemented*'. Therefore a 10% requirement should also be maintained in order to ensure that the requirement is 'fairly and reasonably related in scale and kind to the development' (para 57, NPPF) and consistent with national policy guidance.

We recommend that the draft policy is amended to align with the national 10% requirement as viability at 20% has not been shown, or that alternatively an exemption is applied in respect of housing developments for older people.

POLICY H5: Range and Mix of Housing

We note the draft policy requires:

Accessible and Adaptable Homes

4. *All dwellings will be required to be built to appropriate accessible and adaptable standards to meet Building Regulations Part M4(2), or as subsequently amended, unless it can be robustly demonstrated it would not be possible to do so due to site-specific circumstances.*
5. *On sites of 20 or more net new dwellings, at least 5% (rounded to the nearest whole unit) of new homes and 10% of affordable homes will be required to meet Building Regulations Part M4(3)(2)(a) for wheelchair adaptable housing, unless it can be robustly demonstrated it would not be possible to do so due to site-specific circumstances. Where evidence from the Council's Housing Register identifies a current local need, affordable housing will be expected to meet Part M(4)(3)(2)(b) wheelchair accessible housing.*

However, this is in spite of the local plan wide viability study finding that certain typologies were unviable to provide such enhancements, including housing for older persons.

We would remind the council that the PPG sets put the parameters for requesting optional additional accessibility standards as follows:

Should plan-making bodies set minimum requirements for accessible housing?

Where an identified need exists, plans are expected to make use of the [optional technical housing standards](#) (footnote 46 of the National Planning Policy Framework) to help bring forward an adequate supply of accessible housing. In doing so planning policies for housing can set out the proportion of new housing that will be delivered to the following standards:

M4(1) Category 1: Visitable dwellings (the minimum standard that applies where no planning condition is given unless a plan sets a higher minimum requirement)

M4(2) Category 2: Accessible and adaptable dwellings

M4(3) Category 3: Wheelchair user dwellings

Planning policies for accessible housing need to be based on evidence of need, viability and a consideration of site-specific factors.

Paragraph: 009 Reference ID: 63-009-20190626

Revision date: 26 June 2019

The requirement to provide a percentage of older persons housing as M4(3) has not therefore been shown to be viable and amendments must be made to recognise this.

POLICY H6: Specialist Housing

The draft policy requires that:

...where viable, sites of 10 or more self-contained specialist homes should deliver an appropriate proportion of affordable homes as evidenced by an independent viability assessment.

The council plan wide viability assessment concludes:

Specialist older persons housing was not viable in either value area, on greenfield or brownfield land, even without affordable housing. It may well be that when market conditions improve and/or a particular type of development comes forward, this type of housing will become viable or it will be deliverable in the town centre with higher values.

We have taken a cautious approach and modelled these schemes with non-saleable areas towards the higher end of those recommended in the Retirement Housing Group guidance (30% for sheltered and 40% for extra care), on the advice of the development industry. Reducing the non-saleable areas, even by 5%, makes a significant difference to the results, although not enough to make an affordable housing contribution. It is possible that a specialist retirement housing developer would be able to make adaptations to layout and/or purchase land at the lowest of our BMLVs in order to optimise viability. We note that there have been recent retirement housing applications and developments in Surrey Heath suggesting that developers are able to

make such adaptations and deliver viable schemes although these have been delivered without affordable housing, supporting our finding that affordable specialist older persons accommodation as part of a market development is not viable in the current financial climate.

Therefore, the council's evidence base has not found any provision of affordable housing to be viable and concludes as such. The policy should not therefore seek affordable housing from such development. A much more uncertain and open ended position is proposed within the policy without justification. This would be contrary to national guidance on viability.

We would remind the council that the PPG sets out:

How should plan makers set policy requirements for contributions from development?

Plans should set out the contributions expected from development. This should include setting out the levels and types of affordable housing provision required, along with other infrastructure (such as that needed for education, health, transport, flood and water management, green and digital infrastructure).

These policy requirements should be informed by evidence of infrastructure and affordable housing need, and a proportionate assessment of viability that takes into account all relevant policies, and local and national standards, including the cost implications of the Community Infrastructure Levy (CIL) and section 106. Policy requirements should be clear so that they can be accurately accounted for in the price paid for land. To provide this certainty, affordable housing requirements should be expressed as a single figure rather than a range. Different requirements may be set for different types or location of site or types of development¹.

On the basis of the above, policy draft policy H6 should be amended to state that older persons housing will not be expected to provided affordable housing. This is in line with the plan wide viability findings. Otherwise, it is not possible for a developer to positively bring forward such proposals with the certainty required to do so.

The proposed exemption is consistent with other local plan policy seen elsewhere. As an example, emerging policies in [BCP](#), [Birmingham](#) and [Charnwood](#) propose affordable housing exemptions in respect of proposals for housing for older people having found through their plan wide viability assessments that viability was constrained for these typologies.

[BCP](#)

The Local Plan viability assessment indicates that for greenfield sites we can continue to seek 40% affordable housing provision on-site. For brownfield sites we will seek 10-15% affordable housing, but due to viability, this will not apply in Bournemouth and Poole town centres, or for specialist forms of housing (e.g. build to rent, student housing, care/ nursing homes (Use Class C2) or for retirement housing (sheltered housing) and extra care (assisted living) housing (both Use Class C3)).

[Birmingham](#)

Due to the specific viability challenges of delivering older persons' housing, the evidence suggests on the basis of the market research, appraisal inputs and policy

¹ [Viability - GOV.UK \(www.gov.uk\)](#) (para 001)

requirements, Older Person's Housing is exempted from Affordable Housing provision.

Charnwood

Our viability evidence shows that neither sheltered housing nor extra care housing developments are likely to be viable if a contribution towards affordable housing is sought.

Fareham Borough Council recently adopted their new local plan and Policy HP5 of the plan states:

The Viability Study concludes that affordable housing is not viable for older persons and specialist housing. Therefore, Policy HP5 does not apply to specialist housing or older persons housing.

The respondents are of the view that similar conclusions would be made in this case in respect of housing for older people whereby a zero affordable housing requirement would be appropriate.

As drafted, this policy is not justified or effective and should be amended to remove the requirement for older persons housing to provide affordable housing.

POLICY H7: Affordable Housing

In line with comments in respect of draft policy H6 above, draft policy H7 bullet 1 a ii should be amended to state that affordable housing will not be sought form specialist housing for older people.

Conclusions and Recommendations

The respondents previously wrote to the council as part of the Regulation 18 consultation advising the council to undertake plan wide viability testing specifically relating to housing for older people. We are pleased to note that this exercise has been completed. However, it is noted that the plan wide viability testing has specifically noted that housing for older people is only viable without the provision of affordable housing and the various sustainability standards required and noted above cause viability within this typology to become marginal at best.

We therefore recommend that modifications are required as set out above in order for policies to be justified, effective and consistent with national policy. As drafted, the highlighted policies mean the plan overall would be unsound.

We would be grateful if you could notify us of further opportunities to comment on the emerging plan as well as opportunities to attend and speak at the Examination.

Thank you for the opportunity for comment.

Yours faithfully

Damien Lynch MRICS
Associate Director
Planning Issues Ltd

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