

WORKING CORE STRATEGY

WRITTEN STATEMENT: MATTER 3

CS22 – Sustainable Construction

The policy is unsound.

Firstly, the Code for Sustainable Homes is a voluntary set of national standards devised by the housebuilding industry. Since it is voluntary it is axiomatic that it cannot be made mandatory.

Secondly, the policy demonstrates a misunderstanding of the differences between the Building Regulations and the Code for Sustainable Homes. The Government's stepped programme towards Zero Carbon Homes from 2016 applies only to Part L of the Building Regulations (energy efficiency). This forms only one element of the Code.

The Government's accelerated programme applies only to Part L. The Council is wrong in stating in the policy and in Table 5 that Part G of the Building Regulations is also subject to a mandatory stepped improvement in efficiency until 80 litres per person per day is achieved from 2016. The DCLG's latest proposals with regard to changes in the Building Regulations does not include any plan to make changes to Part G.

If the Council wishes to make the water components of the Code (Part G), as well as energy part (Part L), a requirement of local policy too in accordance with the timetable it has set out in policy CS22 then in accordance with the *Planning and Climate Change Supplement to PPS1* it will need to a) set out the special local circumstances that warrants this (paragraph 31); and b) assess the impact that these policy requirements will have on housing delivery including the supply of affordable housing (paragraph 33).

Energy and water constitute the greatest costs associated with the Code (see DCLG: *Cost of Building to the Code for Sustainable Homes: Updated cost review*, August 2011).

As we stated in our original representations, the Council's *Climate Change and Decentralised, Renewable and Low Carbon Energy Evidence Base* June 2010 report does not assess the impact of the requirements of policy CS22 on development viability. It merely states that there is potential. By contrast, the *Affordable housing*

Economic Viability Assessment, by Adams Integra, illustrates the risks to delivery when Code 5 is factored in (see appendix IIg, tables 10 and 10a).

The requirement that greenfield developments meet Code 5 from the date of the adoption of the plan has not been locally justified or assessed for its impact on viability. Furthermore, it is also unclear whether this requires compliance with the full Code or solely the parts that relate to energy and water as in the first paragraph of policy CS22.

The *Affordable Housing Economic Viability Analysis* by Adams Integra (July 2010) assumes Code 4 as its baseline. It also considers the cost of Code 5. It does not, however, examine what the impact of building to Code 5 might have in Woking Town Centre (WTC) where most of the house building is earmarked to occur. We can only reach an approximation of this by assuming that the sample 100 flats scheme and 100 mixed scheme typify the type of development that will come forward in this location. The report does not appear to provide guidance as to what is a typical value point for WTC but we assume that this must be around 3 as the area registers the lowest average sales values in the whole district (see figure 5, page 34).

The assessment also needs to consider what the impact is of stipulating Code 5 from the date of adoption of the plan on greenfield sites and from 2016 onwards for all other sites. Moreover, since the Part L component of the Code will be mandatory anyway from 2016 onwards, as a minimum the viability analysis should have reflected this cost in its assessment as its baseline as this is a regulatory cost that will apply for the majority of the life of the plan.

Paragraph 39 of the draft NPPF refers to the need to reflect any costs applying to development to ensure viability. Paragraph 43 of the draft NPPF states that any affordable housing or local standards requirements that may be applied to development should be assessed at the plan-making stage. Since the CS has failed to assess these costs properly or at all and because delivery is likely to be jeopardised as a consequence, the policy cannot be considered sound.

The implications for delivery are severe especially in Woking Town Centre where the majority of the planned housing provision is expected to occur. Once Code 5 is factored in (and Part L accounts for some 80% of the cost of the Code) then zero residual values are recorded against the lower value areas at the policy requirement level of 40% affordable housing. Even more troubling is the evidence that 100 flats scheme in value points 1,2,3 and 4 all registers a nil residual value at *any given percentage of affordable housing* and even when no affordable housing is applied at value points 1 and 2. Where RLVs are recorded, these are nominal except at value points 5 and 6 and dwellings in these latter value points are most unlikely to be built in WTC. Values in Woking Town Centre where the majority of development is intended, register the lowest average price in the Borough (see figure 5, page 34).

The requirement that developers should consider CHP facilities or other forms of district heating is contrary to national policy. The *Planning and Climate Change Supplement to PPS1* advises that local authorities should avoid prescription on technologies in order to be flexible in how carbon savings from energy supplies are to be secured (paragraph 26). The Council cannot foresee what types of technology are likely to emerge as the most efficient and effective forms especially in a plan that will last for 15 years. It should avoid backing winners. It is also wrong for the Council through the monopoly it enjoys on the granting of planning permission to give competitive advantage to particular types of energy technology.

On the question of Allowable Solutions, the Council is wrong to assume that it will be allowed to define what it believes constitutes 'allowable solutions' in Woking. These are likely to be matters that are left to the discretion of developers to exercise and it is not an area into which the Council will be at liberty to intrude. As we do not yet know the Government's thinking on this issue, we recommend that this paragraph is deleted lest it is not in conformity with Government policy once this emerges.

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