

Sustainability Appraisal (SA) of the Surrey Heath Local Plan

SA Report Non-technical Summary

June 2024



© 2024 AECOM Limited. All Rights Reserved.

This document has been prepared by AECOM Limited ("AECOM") in accordance with its contract with Surrey Heath Borough Council (the "Client") and in accordance with generally accepted consultancy principles and the established budget. Any information provided by third parties and referred to herein has not been checked or verified by AECOM, unless otherwise expressly stated in the document. AECOM shall have no liability to any third party that makes use of or relies upon this document.

Introduction

AECOM is commissioned to undertake Sustainability Appraisal (SA) in support of the emerging Surrey Heath Local Plan.

Once in place, the Local Plan will set a strategy for growth and change for the period to 2038, allocate sites to deliver the strategy and establish the policies against which planning applications will be determined.

SA is a mechanism for considering and communicating the likely effects of an emerging plan, and alternatives, with a view to minimising adverse effects and maximising the positives. Local Plans must be subject to SA.

Central to the SA process is preparation of an SA Report for publication alongside the draft plan. At the current time, the SA report is published alongside the 'pre-submission' version of the Local Plan, under Regulation 19 of the Local Planning Regulations.

This is the Non-technical Summary (NTS) of the SA Report.

Structure of the Interim SA Report / this NTS

SA reporting essentially involves answering the following questions in turn:

1) What has plan-making / SA involved **up to this point**?

- including in relation to 'reasonable alternatives'.

2) What are the SA findings **at this stage**?

- i.e. in relation to the draft plan.

3) What happens **next**?

Each of these questions is answered in turn below. Firstly though there is a need to set the scene further by answering the question: *What's the scope of the SA?*

What's the scope of the SA?

The scope of the SA is reflected in a list of topics and objectives. Taken together, this list provides a methodological 'framework' for appraisal.

Table A: The SA framework

Topic	Objectives
Accessibility [to community infrastructure]	<ul style="list-style-type: none"> Improve opportunities for access to education, employment, recreation, health, community services and cultural opportunities for all sections of the community Sustain and enhance the viability and vitality of town, district and local centres Improve the education and skills of the local population Maintain and improve cultural, social and leisure provision
Air / env quality	<ul style="list-style-type: none"> Ensure air quality continues to improve in line with national and/or WHO global targets Reduce noise pollution
Biodiversity	<ul style="list-style-type: none"> Conserve and enhance the Borough's biodiversity Ensure the protection of the Special Protection Areas (SPAs)
Climate change adaptation	<ul style="list-style-type: none"> Minimise the risk of flooding Encourage reduced water consumption
Climate change mitigation	<ul style="list-style-type: none"> Reduce greenhouse gas emissions Increase energy efficiency and increase the use of renewable energy Encourage the use of more sustainable modes of transport (active and public) and reduce traffic congestion
Communities and health	<ul style="list-style-type: none"> Improve the population's health Improve the education and skills of the local population Reduce crime, fear of crime and social exclusion Encourage the enjoyment of the countryside, open spaces and local biodiversity Sustain and enhance the viability and vitality of town, district and local centres

Topic	Objectives
Economy and employment	<ul style="list-style-type: none"> • Support inclusive and diverse economic growth • Maintain stable levels of employment in the Borough • Support existing business structure and businesses • Sustain and enhance the viability and vitality of town, district and local centres
Heritage	<ul style="list-style-type: none"> • Protect and where appropriate enhance the landscape, buildings, sites and features of archaeological, historical or architectural interest and their settings
Housing	<ul style="list-style-type: none"> • Meet identified housing need
Landscape	<ul style="list-style-type: none"> • Protect and where appropriate enhance the landscape, buildings, sites and features of archaeological, historical or architectural interest and their settings • Maintain and enhance the quality of countryside, Green Belt and open space areas
Land, soils and resources	<ul style="list-style-type: none"> • Make the best use of previously developed land (PDL) and existing buildings • Reduce contamination and safeguard soil quality and quantity • Reduce generation of waste and maximise re-use and recycling
Transport	<ul style="list-style-type: none"> • Encourage the use of more sustainable modes of transport (public transport/cycling/ walking) and reduce traffic congestion
Water	<ul style="list-style-type: none"> • Maintain and improve the quality of water resources • Encourage reduced water consumption

Plan-making / SA up to this point

An important element of the required SA process involves appraising ‘reasonable alternatives’ in time to inform development of the draft plan, and then publishing information on reasonable alternatives for consultation alongside the draft plan.

As such, Part 1 of the SA Report explains work undertaken in 2023/24 to develop and appraise a reasonable range of “growth scenarios”, essentially alternative key diagrams.

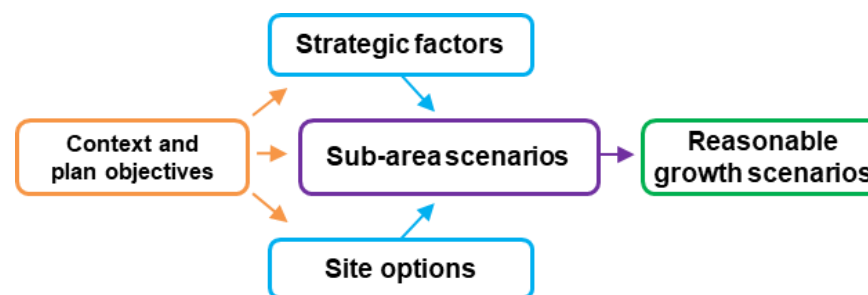
In short, the process involved:

- defining growth scenarios;
- appraising growth scenarios; and then
- feeding-back to inform the preparation of the draft plan.

Defining growth scenarios

The aim here is to explain the process of establishing reasonable growth scenarios for appraisal. Figure A provides an overview.

Figure A: Process overview



Context and plan objectives

Plan-making has been underway since 2017, with three formal consultations having been held prior to this current consultation, each with an associated Interim SA Report.

All evidence gathered to date, including through consultation and appraisal, fed into work to define reasonable growth scenarios for appraisal in 2023/24.

Plan objectives have twice been published for consultation, with minor adjustments made in response. The plan objectives are a key starting point for defining growth scenarios.

Strategic factors

There is a need to consider:

- **Quanta** (*how much?*) – Surrey Heath Borough is in a somewhat unusual situation, in that the default option for the Local Plan is not to set the housing requirement at Local Housing Need (LHN), which is 321 dwellings per annum (dpa), but rather an adjusted average housing need figure of 294 dpa. This is due to the adopted Hart Local Plan providing for unmet needs from Surrey Heath.

As such, reasonable growth scenarios should be primarily focused on providing for 294 dpa in total. Given the extent of Green Belt and SPA constraints there is also a clear strategic justification for exploring lower-growth scenarios, subject to detailed consideration of capacity/supply options, as discussed below.

With regard to higher growth scenarios, the constraints affecting Surrey Heath serve as a reason to suggest that these should be ruled out as unreasonable. However, on the other hand, there are certain strategic arguments in favour of remaining open to the possibility of setting the housing requirement at a figure above 294 dpa.

The matter of precise quanta figures to reflect across the reasonable growth scenarios is returned to below, subsequent to consideration of broad spatial strategy, site options and sub-area scenarios.

- **Broad spatial strategy** (*where?*) – Section 5.2 of the main report presents a review of key evidence, in broad chronological order, beginning with a review of the Capacity Study prepared in 2018. As already mentioned, Surrey Heath is subject to significant constraints, which are a major influence on broad spatial strategy. However, there is also a need to consider growth opportunities, including town centre regeneration and the possibility of growth supporting wider ‘planning gain’. One important consideration, including in light of work to explore supply options over a number of years, is the possibility of supporting strategic sites suited to delivering new pitches / plots to help meet the accommodation needs of Gypsies, Travellers and Travelling Showpeople.

Site options

The primary mechanism for considering site options in isolation is the Strategic Land Availability Assessment (SLAA) 2023 (published in March 2024). This identifies 50 sites as ‘deliverable’ (able to deliver within five years) or developable (able to deliver in the plan period, i.e. before 2038), whilst other sites are ‘discounted’.

Sub-area scenarios

This is a key section within the SA Report (Section 5.4). For each of 11 well-established sub-areas, the aim is to discuss all SLAA sites in turn, considering how they might be allocated in combination (‘sub-area scenarios’) in light of strategic factors, including an understanding of broadly how many homes are needed within the sub-area.

The conclusion reached is that for 10 sub-areas there is just one reasonable scenario, simply involving support for all deliverable/developable SLAA sites. However, for one sub-area, namely Chobham, it is also reasonable to progress two scenarios. Specifically, in addition to a scenario simply involving support for the deliverable/developable SLAA sites, it is also reasonable to explore a higher growth scenario involving additional allocation of Fairoaks Airport (Garden Village), which is located ~2km to the east of Chobham village.

Reasonable growth scenarios

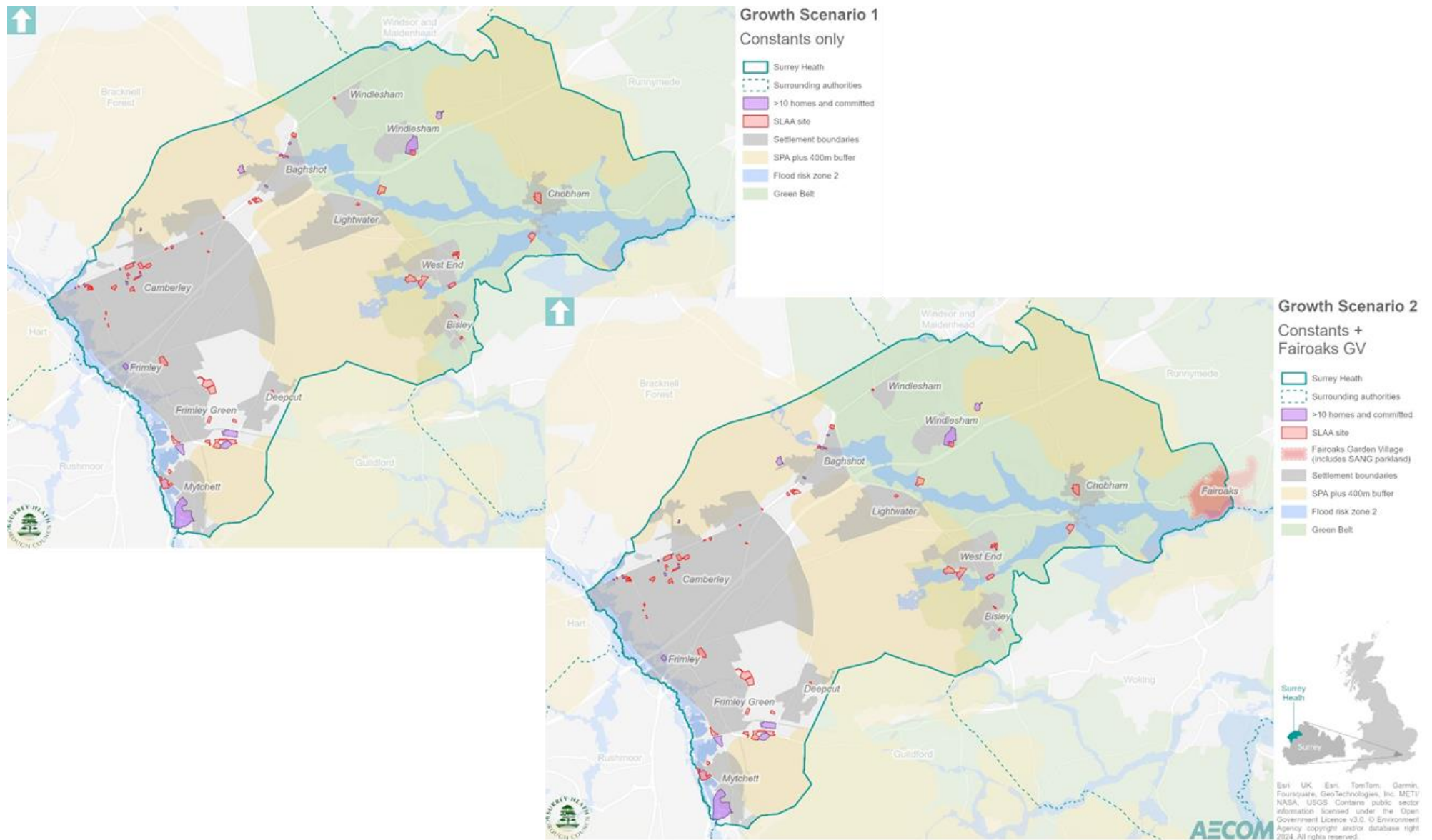
The final task is to combine sub-area scenarios to form reasonable growth scenarios for the borough as a whole. This is clearly a simple task in light of the preceding discussion of sub-areas. In summary, the borough-wide reasonable growth scenarios are:

- **Scenario 1** – the emerging preferred approach, involving support for all deliverable/developable SLAA sites, leading to a total supply ~8% above LHN.
- **Scenario 2** – additional allocation of Fairoaks GV; total supply ~26% above LHN.

N.B. it is typically seen as appropriate to identify a supply ‘buffer’ over-and-above the housing requirement, e.g. the supply buffer would be 8% under Scenario 1, assuming that the housing requirement is set at LHN.

Section 5.5 also presents a final ‘check and challenge’ regarding the possibility of other ‘reasonable’ higher and lower growth scenarios. With regards to lower growth, whilst there is a ‘strategic’ case, in light of supply options (i.e. deliverable/developable SLAA sites), such scenarios can be ruled-out as unreasonable. With regards to other higher growth scenarios, whilst the possibility of allocating one or more Green Belt urban extensions was explored in detail in 2022, at the current time any such scenario is ruled out as unreasonable. Finally, Section 5.5 concludes on scenarios involving additional support for employment land or pitches / plots, again finding such scenarios to be unreasonable.

Figure B: The reasonable growth scenarios



Growth scenarios appraisal

Summary appraisal findings are presented within the table below. Within each row (i.e. for each of the topics that comprise the SA framework) the columns to the right hand side seek to both rank the scenarios in order of performance and categorise the performance of each scenario in terms of 'significant effects' using **red** / **amber** / **light green** / **green**.¹

The appraisal matrix highlights **Scenario 1** as performing best in terms of the greatest number of topics, and it has the fewest predicted negative effects. However, it does not necessarily follow that Scenario 1 is best performing overall, because the appraisal is undertaken without any assumptions made regarding the 'weight' that should be assigned to each of the topics as part of decision-making.

There are a range of issues and impacts associated with Scenario 1, particularly in respect of topics where the appraisal matrix flags an 'amber', but also under certain other topic headings (see further discussion in Section 9 of the main report).

With regards to **Scenario 2**, this scenario is preferable to Scenario 1 from a 'housing' and a 'communities' perspective, particularly given affordable housing needs, Gypsy and Traveller accommodation needs and a place-making opportunity, plus there is a modest 'economy and employment' case to be made.

In general, strategic growth locations can give rise to considerable opportunities to realise sustainability objectives. However, the proposed garden village is relatively small in scale, and there are a range of locational issues and constraints. There might be the potential to address these, but there would be costs and trade-offs involved, which would need to be fully explored. Most significant concerns are around:

- Accessibility – the new community would not deliver higher order facilities, perhaps most notably a secondary school.
- Biodiversity – given the sensitive location of the site between two components of the Thames Basin Heaths Special Protection Area (SPA).
- Climate change mitigation – there are questions around both transport and built environment emissions.
- Transport – see the Highways Assessment Fair Oaks Airport Sensitivity Test (2024).

¹ **Red** indicates a significant negative effect; **amber** a negative effect of limited or uncertain significance; **light green** a positive effect of limited or uncertain significance; and **green** a significant positive effect. **No colour** indicates a neutral effect.

Table B: Summary appraisal of the reasonable growth scenarios

SA topic	Growth scenario 1 Constants only	Growth scenario 2 Constants + Fair Oaks
	Rank of preference and categorisation of effects	
Accessibility	★1	2
Air quality	★1	2
Biodiversity	★1	2
CC adaptation	★1	★1
CC mitigation	★1	2
Communities	2	★1
Economy & employment	★1	★1
Historic environment	★1	2
Housing	2	★1
Land, soils, resources	★1	★1
Landscape	★1	2
Transport	★1	2
Water	★1	★1

The preferred growth scenario

It is not the role of the appraisal to arrive at a conclusion on which of the reasonable growth scenarios is best, or 'most sustainable' overall. Rather, it is the role of the plan-making authority to arrive at that conclusion, informed by the appraisal.

The following statement explains officers' reasons for supporting **Growth Scenario 1**:

"At a high level, the appraisal shows Scenario 1 to perform well relative to Scenario 2 in most respects. Specifically, Scenario 1 ranks highest in respect of seven sustainability topics, and the two scenarios are shown to perform equally for a further four topics. Scenario 2 outperforms Scenario 1 only in respect of two topics, and whilst both are important topics, Scenario 2 clearly performs less well overall.

The primary issue in terms of which Scenario 2 outperforms Scenario 1 is housing. However, the appraisal nonetheless predicts a 'limited or uncertain' positive effect for Scenario 1, because the identified housing supply is sufficient to meet the housing requirement to 2038 with a buffer of approximately 8%.

To summarise, SHBC officers note that there are four key reasons for selecting Growth Scenario 1 as the preferred scenario, as opposed to the Growth Scenario 2 which are outlined below:

- It is recognised that there are significant challenges with meeting full affordable housing needs identified in the LHNA 2024, which is a common issue faced across the South East of England due higher values and costs which impacts on the viability of delivering a higher level of affordable housing. However, this does not lead to the conclusion in the LHNA that there should be an uplift in the housing requirement from the standard method calculation for the Local Plan Local Housing Need figure. Indeed, the LHNA concludes that the standard method is appropriate for the Borough. Furthermore, the Council through its housing enabling role is able to support delivery of affordable homes through other mechanisms.
- Paragraph 145 of the NPPF 2023 is clear that, once established, there is no requirement for Green Belt boundaries to be reviewed or changed when plans are being prepared or updated. As a result, whilst it is reasonable to consider alternative growth options involving larger-scale release of land from the Green Belt as part of the SA process, there is no requirement to amend Green Belt boundaries to deliver housing as part of the Local Plan process. Therefore, whilst it is noted that Growth Scenario 2 scores preferably to Growth Scenario 1 in specific areas such as housing, it is still reasonable to reject Growth Scenario 2 on the basis of Green Belt release.

- Scenario 2 would deliver up to 12 additional Gypsy and Traveller pitches, however this would be provided as part of a wider scheme, which in the Plan period equates to 1,000 new homes. Taking account of the significant level of enabling development that would be required, in the form of 1,000+ new homes in the Green Belt, and that the scheme would ultimately only deliver a small proportion of the overall unmet need for Gypsy and Traveller pitches, it is not considered that the benefits that would arise if the Council were minded to select Scenario 2 as its preferred option are sufficient to outweigh the resulting harm to the Green Belt, particularly when it is noted that the Council's overall housing need can be met without recourse to Green Belt release and in view of the policy context set out above.
- Finally, it is noted that in the context of the significant environmental and policy constraints affecting the Borough (which includes the Thames Basin Heaths SPA), Growth Scenario 1 represents a strategy that meets the housing requirement with a buffer and is demonstrably more sustainable than Scenario 2 across a range of topic areas – most notably air quality, biodiversity, landscape and transport.

The Local Plan seeks to respond to the issues and challenges flagged in respect of Scenario 1 through thematic and site-specific policies, which are further below."

SA findings at this stage

Part 2 of the SA Report answers the question "what are appraisal findings at this stage" by presenting an appraisal of the Local Plan as a whole. The following is a summary.

Appraisal of the Draft (Pre-submission) Local Plan

In conclusion, the appraisal predicts a 'limited or uncertain positive effect' in respect of nine objectives, a neutral effect in respect of three objectives and a 'limited or uncertain' negative effect in respect of one objective, namely climate change adaptation.

Key findings are as follows:

- **Positive effects** – the plan performs broadly well in **numerous respects**, but 'planning gain' is limited outside of Camberley town centre, given a focus on smaller sites, which limits the potential to conclude 'significant' positive effects. With regards to **housing**, the proposal is to provide for identified needs in full to 2038, but there are arguments for additional supply, as discussed in Part 1 of the main report. This is particularly the case given affordable housing needs and Gypsy and Traveller accommodation needs.

- **Neutral effects** – the first topic is **biodiversity**, where the predicted ‘neutral’ effect reflects a precautionary approach given local sensitivities; it could easily be argued that the effect is positive, given the importance of a plan-led approach to growth and given detailed work on biodiversity net gain.

The second topic is then **climate change mitigation**, where there is an argument for concluding a negative effect, as measured against an ambitious net zero trajectory (e.g. net zero by 2030, which is a very common target amongst local authorities nationally). However, the policy requirement around net zero development has been notably strengthened since the Regulation 18 Draft Plan stage.

The third topic for which the appraisal predicts neutral effects is **economy** and employment. This is because of the uncertainties involved with relying solely on intensification of existing employment areas in order to meet residual employment floorspace needs (particularly industrial). However, again, this conclusion reflects a precautionary approach, as considerable intensification opportunity exists.

- **Negative effects** – no ‘significant’ negative effects are predicted, which is quite rare (local plan-making will often involve significant trade-offs). However, there is a clear need to flag the risk of a somewhat negative effect in respect of climate change adaptation, and specifically **flood risk**. The Environment Agency raised very limited concerns through the consultation in 2022, but it is expected that the EA will wish to re-examine all sites (allocations with a policy, allocations without a policy and other SLAA sites) through the current consultation. There is a clear site-specific case for growth at most of the sites affected by flood risk, plus there is a need to consider strategic factors, including the challenge of providing for development needs in the context of very limited options outside of the Green Belt.

There will be the potential to consider these appraisal findings further through the forthcoming examination in public, seeking to bolster positive effects and explore ways to address tensions with sustainability objectives.

A small number of specific recommendations are included within the appraisal; however, it is recognised that any changes aimed at improving the plan’s performance under one objective could have consequential effects on performance under other objectives.

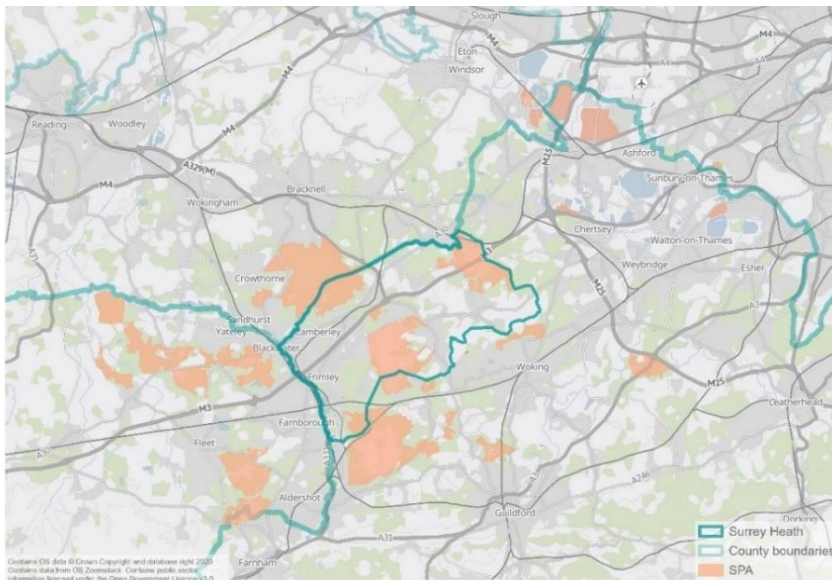
Cumulative effects

There is a need to give separate consideration to ‘cumulative effects’, i.e. effects of the plan in combination with other plans and projects that can be reasonably foreseen. In practice, this is an opportunity to discuss potential ‘larger than local’ effects.

The following bullet points cover some key considerations:

- Housing needs – the proposed strategy involves unmet needs from Surrey Heath provided for within Hart District and does not make any provision for the risk of unmet needs arising from elsewhere in the sub-region. However, this is an appropriate strategy because: A) the matter of unmet needs provision in Hart is agreed and set out in an adopted Local Plan, such that it does not need to be revisited at the current time; and B) the environmental constraints affecting Surrey Heath mean that the borough is not suited to providing for unmet needs from Woking or elsewhere in Surrey, plus there is a need to recognise that Surrey Heath’s housing market area links closely with the North East Hampshire / Blackwater Valley authorities to the southwest (from where there is little or no risk of unmet needs arising). Work has been undertaken to appraise higher growth scenarios (as discussed), but only because of the need to explore the possibility of providing for locally arising housing needs (including affordable) more fully and/or providing for a larger ‘supply buffer’ over-and-above the housing requirement. It is recognised that unmet need across Surrey is a major issue; however, making provision for unmet need within Surrey Heath is judged to be unreasonable.
- The economy – given links to the M3 corridor, West London and the A322 / Blackwater Valley, there is a clear need for Surrey Heath to provide for locally arising needs in full, and also consider supporting footloose industries that need to be accommodated in the sub-region, notable strategic warehousing and film studios. As discussed above, the proposal is to provide for locally arising needs in full through intensification of existing employment sites only, which leads to an element of risk. However, there is strong support for the Camberley town centre regeneration strategy.
- Transport corridors – the appraisal does not highlight any major growth-related issues or opportunities, in respect of either rail or strategic road corridors but this could well be a focus of ongoing scrutiny moving forward, e.g. alignment with the Surrey LTP4.
- Thames Basin Heath SPA – the matter of in-combination impacts to the SPA is a focus of a stand-alone Habitats Regulations Assessment (HRA), noting that eleven authorities manage the SPA in partnership. Key considerations include management of Horsell Common in collaboration with Woking Borough, and Chobham Common in collaboration with Runnymede District and RB Windsor and Maidenhead.
- Landscape scale nature recovery – there is a need to focus efforts on achieving conservation and ‘net gain’ objectives, in respect of biodiversity and wider natural capital and ecosystem services, at functional landscape scales, including landscape character areas and river corridors, including ahead of the forthcoming Surrey Local Nature Recovery Strategy (LNRS). Aside from matters relating to the TBHSPA and associated heathland and former heathland landscapes, a key consideration is potentially realisation of opportunities along the Blackwater Valley corridor.

Surrey Heath within Surrey and linking closely to Berkshire and Hampshire



Camberley town centre – an important centre in the sub-region



Next Steps

Submission, examination and adoption

Once the period for representations on the Local Plan / SA Report has finished the intention is to submit the plan for examination in public alongside a summary of the main issues raised through the Regulation 19 publication period.

At examination one or more Government-appointed Inspectors will consider representations (and the SA Report) before identifying modifications necessary for soundness. Modifications will then be prepared and published for consultation.

Once found to be 'sound' the Local Plan will be adopted. At the time of adoption an 'Statement' will present information including "measures decided concerning monitoring".

Monitoring

Section 11 of the main report makes a number of suggestions for monitoring indicators / areas of focus, for example:

- Biodiversity – there will be a need to establish a regime for ensuring that decision making in respect of biodiversity net gain as part of planning applications is undertaken under a strategic spatial framework, and then monitor effectiveness.
- Climate change adaptation – there is a need for clarity regarding flood zones under climate change scenarios, and it might be useful to monitor not only the number of homes that come forward in a flood risk zone, but also the nature of the schemes (e.g. PDL) and mitigation measures implemented.
- Climate change mitigation – built environment decarbonisation is a rapidly evolving policy area, and so it will be important to monitor the sufficiency of policy. Also, it is again the case that this can be a confusing policy area, but there is a need for clarity, including so that the interested public can effectively scrutinise planning applications.
- Economy and employment – it will be important to closely monitor whether existing employment sites are coming forward for intensification as anticipated, plus there is a need for close monitoring of employment land losses through permitted development.

Housing – this is a key issue for monitoring, as reflected in the existing Authority Monitoring Report regime. There should be a renewed focus on monitoring affordable housing delivery by tenure split, including given limited recent social housing delivery. There is also a clear need to monitor Gypsy, Traveller and Travelling Showpeople accommodation needs, potentially in collaboration with neighbouring authorities.