

Part B – Please use a separate sheet for each representation

Name or Organisation:

Home Builders Federation (HBF)

3. To which part of the Local Plan does this representation relate?

Paragraph Policy Policies Map

4. Do you consider the Local Plan is :

4.(1) Legally compliant	Yes	<input type="text" value="X"/>	No	<input type="text"/>
4.(2) Sound	Yes	<input type="text"/>	No	<input type="text" value="X"/>
4 (3) Complies with the Duty to co-operate	Yes	<input type="text" value="X"/>	No	<input type="text"/>

Please tick as appropriate

5. Please give details of why you consider the Local Plan is not legally compliant or is unsound or fails to comply with the duty to co-operate. Please be as precise as possible.

If you wish to support the legal compliance or soundness of the Local Plan or its compliance with the duty to co-operate, please also use this box to set out your comments.

Delivery Policy DES3 – Heat Supply

Under **Delivery Policy DES3**, development proposals should include a communal low-temperature heating system where viable. The heat source for the communal heating system should be selected in accordance with the following heating hierarchy :-

- connect to local existing or planned heat networks ;
- use of zero-carbon renewable heat or CHP ;
- use of local ambient or secondary heat sources (in conjunction with heat pumps, if required).

Where a local heat network is planned but not yet in existence or connection is not currently viable, but may become viable in the future, the development should be designed to allow for the cost-effective connection and supply at a later date.

It is acknowledged that communal heat networks are one aspect of the path towards decarbonising heat, however currently the predominant technology for district-sized communal heating networks is gas combined heat and power (CHP) plants as set out in Bullet Point 2 of the Council's proposed heating hierarchy. As 2050 approaches, meeting the Government's climate target of reducing greenhouse gas emissions to net zero will require a transition from gas-fired networks to renewable or low carbon alternatives such as large heat pumps, hydrogen or waste-heat recovery but at the moment one of the major reasons why heat network projects do not install such technologies is because of the up-front capital cost. The Council should be aware that for the foreseeable future, it will remain uneconomic for most heat networks to install low-carbon technologies.

No doubt the Council is also aware that some heat network consumers do not have comparable levels of satisfaction as consumers on gas and electricity networks, and they pay a higher price. Currently, there are no sector specific protections for heat network consumers, unlike for people on other utilities such as gas, electricity or water. A consumer living in a building serviced by a heat network does not have the same opportunities to switch supplier as they would for most gas and electricity supplies. All heat network domestic consumers should have ready access to information about their heat network, a good quality of service, fair and transparently priced heating and a redress option should things go wrong. Research by the Competition and Markets Authority (CMA) found that a significant proportion of suppliers and managing agents do not provide pre-transaction documents, or what is provided contains limited information, particularly on the on-going costs of heat networks and poor transparency regarding heating bills including their calculation and the consumers limited ability to challenge their heat suppliers reinforces a perception that prices are unjustified. The monopolistic nature of heat networks means that future price regulation is required to protect domestic consumers. The CMA have concluded that "*a statutory framework should be set up that underpins the regulation of all heat networks.*" They recommended that "*the regulatory framework should be designed to ensure that all heat network customers are adequately protected. At a minimum, they should be given a comparable level of protection to gas and electricity in the regulated energy sector.*" The Department for Business, Energy & Industrial Strategy consultation on Heat Networks : Building A market Framework (ended on 1st June 2020) proposes a regulatory framework that would give Ofgem oversight and enforcement powers across quality of service, provision of information and pricing arrangements for all domestic heat network consumers. These concerns are not reflected in the Council's proposals for communal heat networks.

It is also noted that the Council's final viability assessment appraisals only include costs for Future Homes Standard Option 2 of £4,847 per dwelling,

additional costs associated with the delivery of heat networks are excluded from the viability assessment (para 8.90), which are estimated at £5,000 per dwelling (para 10.29) (also see HBF representations under Deliverability & Viability).

6. Please set out the modification(s) you consider necessary to make the Local Plan legally compliant and sound, in respect of any legal compliance or soundness matters you have identified at 5 above. (Please note that non-compliance with the duty to co-operate is incapable of modification at examination). You will need to say why each modification will make the Local Plan legally compliant or sound. It will be helpful if you are able to put forward your suggested revised wording of any policy or text. Please be as precise as possible.

Delivery Policy DES3 is impractical and unviable, which should be deleted.

Please note In your representation you should provide succinctly all the evidence and supporting information necessary to support your representation and your suggested modification(s). You should not assume that you will have a further opportunity to make submissions.

After this stage, further submissions may only be made if invited by the Inspector, based on the matters and issues he or she identifies for examination.

7. If your representation is seeking a modification to the plan, do you consider it necessary to participate in examination hearing session(s)?

No, I do not wish to participate in hearing session(s)

Yes, I wish to participate in hearing session(s)

Please note that while this will provide an initial indication of your wish to participate in hearing session(s), you may be asked at a later point to confirm your request to participate.

8. If you wish to participate in the hearing session(s), please outline why you consider this to be necessary:

The HBF is the principal representative body of the house-building industry in England and Wales. Our representations reflect the views of our membership which includes 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. The HBF wish to attend the Stroud LPR Examination Hearing Sessions to discuss the above representations in greater detail.

Please note the Inspector will determine the most appropriate procedure to adopt to hear those who have indicated that they wish to participate in hearing session(s). You may be asked to confirm your wish to participate when the Inspector has identified the matters and issues for examination.

9. Signature:

[Redacted Signature]

Date:

21/7/21