HEARING STATEMENT

Matter 2: The provision of housing

MIQS questions addressed in this document;

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Part A: Calculation of the Objectively Assessed Need for Housing (OAN)

MIQS Question 2.2

Is the use of the 2016 based household projections justified in calculating the OAN for the District and is it consistent with the Planning Practice Guidance?

Response to Question 2.2

2.2.0 The answer to matter 2; question 2.2 is ‘no’, for the following reasons;

2.2.1 Following the completion of the Regulation 19 consultation, but prior to the submission of the Local Plan for examination, Tandridge District Council (TDC) produced a new document ‘Updating the Objectively Assessed Housing Needs of Tandridge (December 2018)’.

2.2.2 The justification for this document is that guidance in the relevant PPG for calculating housing need requires the ‘latest available’ household projections to be used as the ‘starting point’ when assessing housing needs. It recognises that new information may signal a ‘meaningful change in the housing situation’ which must be considered in this context, albeit the guidance states that assessments are not ‘automatically rendered outdated every time new projections are issued’.

1 PPG Reference ID 2a-015-20140306 and 2a-016-20150227
2.2.3 In 2018, the Office for National Statistics (ONS) published their ‘2016 SNHP’. This was the first time the ONS had been responsible for producing the SNHP, and it provided an update from the ‘2014 SNHP’ prepared by the Ministry of Housing, Communities and Local Government (MHCLG).

2.2.4 TDC contend that the 2016 SNHP represents the latest available household projections and that these should be used as the starting point for calculating housing need.

2.2.5 As a result of the 2016 SNHP, ‘Updating the Objectively Assessed Housing Needs of Tandridge’ revised the OAN for the Local Plan (2013-2033) down from 9,400 homes to 7,960 homes; a significant reduction.

2.2.6 However, in July 2019, the Government confirmed that local authorities should not use the 2016-based SNHP as a result of concerns around the extent to which they adequately reflect housing need. Specifically, this reflects concerns identified by the ONS themselves.

2.2.7 The ‘Housing and economic need assessment’ PPG was subsequently updated to confirm that the 2016 SNHP figures should not be used when calculating housing need.

Proposed changes

2.2.8 TDC’s document ‘Updating the Objectively Assessed Housing Needs of Tandridge’ (December 2018) is not consistent with national policy and guidance, and the previous document ‘The Objectively Assessed Housing Needs of Tandridge’ (September 2015) should be retained in accordance with the revised PPG.

2.2.9 This would alter the OAN recalculate by TDC (7,960 homes) to the previously calculated 9,400 homes.

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2 ONS - Methodology used to produce household projections for England: 2016-based
3 Housing and economic needs assessment’ (22nd July 2019); Step 1 – Setting the baseline
Part B: The housing requirement

MIQS Question 2.8

Have all realistic options for meeting the OAN within Tandridge in full been exhausted?

Response to Question 2.8

2.8.0 The answer to matter 2; question 2.8 is ‘no’, for the following reasons;

2.8.1 In terms of realistic options for meeting the OAN; Tandridge District Council (TDC) did not assess the impacts of a single strategy during the preparation of the Local Plan which sought to meet the full OAN.

2.8.2 In an Open letter from Keith Jecks, Chair of the Planning Policy Committee in June 2018⁴, he identifies that 114 sites were put forward by landowners in the Green Belt, providing the potential for 30,759 homes. Of these sites, TDC have only allocated 14, delivering 893 homes; less than 3% of the potential.

2.8.3 This shows the scope of the opportunity TDC should have explored. There was an obvious opportunity to consider the impacts of a plan that did deliver the full OAN, but this was never assessed by Tandridge.

2.8.4 TDC confirm⁵ that the Local Plan will follow ‘Approaches 3 and 6’ of those spatial options considered during Regulation 18. In Appendix A to the minutes for the Planning Policy Committee held on 10th December 2015⁶, TDC identify that ‘Approach 3’ could deliver approximately 8,569 homes whilst ‘Approach 6’ represents the Garden Village initiative (thus ‘Approach 3’ does not include the Garden Village in its projection). There is no evidence presented to explain the disparity between the delivery numbers projected in assessing these spatial options and the final delivery numbers set out in a Local Plan which purportedly accorded with these spatial options.

2.8.5 This illustrates a second clear opportunity for TDC to explore meeting their full OAN. Had the spatial options been implemented in the manner originally described (and consulted upon) then TDC’s own evidence suggests that 8,569 homes could have been delivered in addition to the Garden Village initiative, whilst according with the adopted Spatial Strategy.

⁴ Appendices: Regulation 22 Statement, page 128
⁵ Our Local Plan – Preferred Strategy’ (March 2017), paragraph 5.36
⁶ Appendices: Regulation 22 Statement, page 6
2.8.6 Not only did the Local Plan fail to investigate realistic options for meeting the full OAN, it explicitly avoided discussing whether there may be such options available for consideration.

Part C: The overall supply of housing

MIQS Question 2.11

Does the housing trajectory set out in the Housing Topic Paper (HNS2) provide a sound basis for meeting the identified housing need?

Response to Question 2.11

2.11.0 The answer to matter 2; question 2.11 is ‘no’, for the following reasons;

2.11.1 We provided a significant level of detail on the housing supply and trajectory in our previous representation to the Regulation 19 consultation. As per the instructions for this stage of the process, we will not duplicate this information here, but we would request that the information contained within this previous representation is considered in relation to this matter as it is directly applicable to the question at hand.

2.11.2 Whilst this previous response is written in the context of Policy TLP01 of the Local Plan rather than the Housing Topic Paper (HNS2), the matters discussed are synonymous as both present the same delivery trajectory.

MIQS Question 2.12

Is the housing trajectory realistic and deliverable in terms of its components and are there any threats to delivery?

Response to Question 2.12

2.12.0 The answer to matter 2; question 2.12 is ‘no’, for the following reasons;

\[\text{i.18.2264.ST003 – Soundness Test – Policy TLP01}\]
2.12.1 We provided a significant level of detail on the housing supply and trajectory in our previous representation to the Regulation 19 consultation. As per the instructions for this stage of the process, we will not duplicate this information here, but we would request that the information contained within this previous representation is considered in relation to this matter as it is directly applicable to the question at hand.

2.12.2 Whilst this previous response is written in the context of Policy TLP01 of the Local Plan rather than the Housing Topic Paper (HNS2), the matters discussed are synonymous.

MIQS Question 2.15

In broad terms, is the housing development proposed in the Plan and set out in the trajectory based on a sound understanding and robust evidence of viability?

Response to Question 2.15

2.15.0 The answer to matter 2; question 2.15 is ‘no’, for the following reasons;

2.15.1 We provided a significant level of detail on the viability of housing supply and trajectory in our previous representation to the Regulation 19 consultation. As per the instructions for this stage of the process, we will not duplicate this information here, but we would request that the information contained within this previous representation is considered in relation to this matter as it is directly applicable to the question at hand.

Part D: Five-year housing land supply

MIQS Question 2.17

Will the Plan provide for a five-year supply of deliverable housing sites on adoption?

Response to Question 2.17

2.17.0 The answer to matter 2; question 2.17 is ‘no’, for the following reasons;

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8 i.18.2264.ST003 – Soundness Test – Policy TLP01
9 i.18.2264.ST003 – Soundness Test – Policy TLP01
2.17.1 Whilst the Local Plan was prepared using the National Planning Policy Framework (NPPF) (2012), upon adoption the Plan will become subject to the policies of the NPPF (2019).

2.17.2 Paragraph 73 of the NPPF (2019) is concerned with maintaining the supply and delivery of homes and requires that a ‘supply of specific deliverable sites’ is identified to provide a minimum of five years’ worth of housing.

2.17.3 The housing delivery target set out in the Local Plan would require 1515 homes over a five-year period (not including any buffer: this is discussed in response to matter 2, question 2.18).

2.17.4 It should also be noted that upon adoption (if adoption occurs in 2019) the Local Plan will have a deficit of 376 homes against the target from the period 2013-2019\(^{10}\).

2.17.5 The ‘Housing Topic Paper’ (HNS2) provides a housing supply typology\(^{11}\) for Tandridge. This typology identifies 1054 homes with existing consents, accounting for approximately 70% of the five-year supply requirement.

2.17.6 Some clarification is needed by Tandridge relating to the conflict between the figures set out in the ‘Housing Topic Paper’ (HTP) and the ‘Housing Delivery Test Action Plan’ (HDTAP). The HDP identifies 1280 homes ‘already constructed’ during the plan period (which we assume to mean 2013-2019), however the HDTAP identifies 1745 completions during the same time period. The significance of this is that if these additional completions come from the ‘existing consents’ identified by the HTP then it would reduce the outstanding number of existing consents from 1280 to 815. This is obviously significant to the issue of five-year supply.

2.17.7 The housing supply typology identifies 493 homes on allocated brownfield sites which could realistically be delivered in a five-year period, taking the total identified to 1547.

2.17.8 Whilst the Local Plan sets out that approximately 37 homes per annum will be delivered by windfall or the empty homes initiative, no specific sites are identified in relation to these delivery methods.

2.17.9 The total number of homes to be delivered by specific deliverable sites identified upon adoption is therefore 1547.

2.17.10 At face value, this would deliver the 1515 homes required by the five-year housing test. However, this makes no allowance for any buffer set out in accordance with NPPF paragraph 73; even the lowest buffer of 5% would increase the five-year requirement to 1591. Nor does this number make any contribution to the existing deficit of 376 homes identified by the HDTAP.

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\(^{10}\) TDC - Housing Delivery Test Action Plan August 2019

\(^{11}\) Housing Topic Paper (HNS2) (January 2019); page 70, Table 9
Proposed changes

2.17.11 TDC should clarify the disparity between the figures set out in the HDTAP and the HTP in order accurately to identify the number of homes constructed during the plan period 2013-2019 and the number of remaining consents.

2.17.12 TDC should explain how they intend to address the existing housing delivery deficit for the period 2013-2019, so that the impacts of this upon five-year supply can be accurately assessed.

MIQS Question 2.18

In the context of paragraph 47 of the Framework, is it justified to apply a buffer of 5% within the calculation of the five-year supply?

Response to Question 2.18

2.18.0 The answer to matter 2; question 2.18 is ‘no’, for the following reasons;

2.18.1 Paragraph 73 of the NPPF (2019) sets out the test to determine an appropriate buffer to the five-year housing supply as follows;

a) 5% to ensure choice and competition in the market for land; or
b) 10% where the local planning authority wishes to demonstrate a five-year supply of deliverable sites through an annual position statement or recently adopted plan, to account for any fluctuations in the market during that year; or
c) 20% where there has been significant under delivery of housing over the previous three years, to improve the prospect of achieving the planned supply.

2.18.2 In relation to point c), the NPPF clarifies this as follows;

From November 2018, this will be measured against the Housing Delivery Test, where this indicates that delivery was below 85% of the housing requirement.

2.18.3 According to the Authority’s Monitoring Report (2018) and the ‘Housing Delivery Test Action Plan’ (August 2019), housing delivery across the period 2016 – 2019 has been;

- April 2016 – March 2017: 228 homes
- April 2017 – March 2018: 332 homes
- April 2018 – March 2019: 244 homes
The target for this period as identified by the Local Plan is 909 homes (303 per annum). The actual delivery for this period is 804. This housing delivery accounts for 88% of the target.

Whilst this is close to the 85% threshold identified by the NPPF, it does not meet the criteria for the 20% buffer. A 10% buffer would therefore be appropriate against NPPF Paragraph 73(b) as the five-year supply will be demonstrated by a ‘recently adopted plan’.

With the application of this 10% buffer, TDC need to demonstrate a five-year supply of specific deliverable sites for 1667 homes (a target of 1515 identified by the Plan, plus a buffer of 152). This should contribute to the answer provided to matter 2, question 2.17 earlier in this document.

If the full OAN is used, TDC would be required to provide a 20% buffer (the full OAN requires 470 homes per annum and delivery over the preceding 3 years would only account for 57% of this target, well below the threshold).

This would result in a five-year housing supply requirement of 2820 (2350 plus a buffer of 470).

Proposed changes

TDC should clarify their position on the buffer to be established in accordance with NPPF paragraph 73. In responding to the Inspector’s letters\textsuperscript{12}, TDC only make statements relating to the relationship between parts ‘a’ and ‘c’ of the test contained in paragraph 73; no consideration is given to part ‘b’ of the test.

TDC should clarify whether part ‘b’ would be more suitable than part ‘c’ considering that the five-year supply will be demonstrated by a ‘recently adopted plan’.

Part E: Affordable Housing Requirement

MIQS Question 2.21

Policy TLP12 sets affordable housing requirements for developments within the Tiers 1 and 2 of the settlement hierarchy, in respect of sites released from the Green Belt and elsewhere. Would the policy be effective in ensuring the OAN for affordable housing is met?

\textsuperscript{12} TED2: Tandridge District Council (TDC) ‘Response to Inspectors initial correspondence’ pages 3-6
Response to Question 2.21

2.21.0 The answer to matter 2; question 2.21 is ‘no’, for the following reasons;

2.21.1 The ‘Affordable Housing Needs Assessment: Updated Technical Paper for Tandridge District Council’ published in June 2018 identifies a net annual affordable housing need of 391\(^{13}\). This is the combined requirement of meeting the existing affordable housing deficit over a five-year period whilst meeting the newly arising need during the same period. These figures also account for the anticipated supply of affordable houses from existing sources.

2.21.2 When the requirements of policy TLP12 are applied to the 20 sites allocated for housing by the Local Plan, the following affordable housing provision can be extrapolated;

| Total affordable housing provision from Green Belt allocations | 410 |
| Total affordable housing provision from other allocations     | 49  |

2.21.3 In total, this would provide enough affordable housing provision for 1.2 years during the first five years of the plan or 1.5 years in subsequent years (once the existing deficit is addressed).

2.21.4 With TDC proposing an annual delivery target of 303 new homes over the plan period, it is impossible for TDC to meet an annual requirement for 391 affordable homes during the first five years of the plan and 310 in subsequent years using the methodology of policy TLP12.

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\(^{13}\) Affordable Housing Needs Assessment: Updated Technical Paper for Tandridge District Council; page 11, Table 2.8