Tandridge Local Plan Examination - Statement to Matter 2: The provision of housing
Berkeley Strategic

September 2019
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Appendix 1: Turley Housing Land Supply Calculation 2028/29 - 2032/33
1. Introduction

1.1 This Statement has been prepared on behalf of Berkeley Strategic in response to Matter 1 of the Examination into the emerging Tandridge Local Plan 2033.

1.2 Berkeley Strategic are promoting the land at Roffes Lane, Caterham, which is identified in the Housing and Economic Land Availability Assessment (HELAA, 2017/2018) as site Ref. CAT042. The site has been actively promoted for development via the ongoing Call for Sites process and through previous consultations on the emerging Local Plan, including the Regulation 18 Issues and Options Consultations undertaken in both February 2016 and in summer 2017, and the Regulation 19 consultation in September 2018.

1.3 The site is located at a sustainable location, with Caterham identified as a tier 1 settlement within the emerging Local Plan. The site, as with much of the District, is located within the Green Belt and is not proposed to be allocated. CAT042 represents a suitable location for growth. The proposed development could accommodate approximately 160 dwellings, supporting infrastructure and facilities, as well as open space and green infrastructure, to be provided across this 12.73 hectare site.

1.4 We are aware that the Inspector has indicated that he will not be considering the merits or otherwise of omissions sites as part of the Examination. However, consistent with their previous representations, our client considers that the emerging Local Plan is fundamentally unsound, that the housing requirement should be increased and additional sources of supply identified.

1.5 For the sake of brevity and minimising repetition, this Statement should be read alongside previous representations on such issues, and their related Appendices.
2. **Response to Matter 2: The provision of housing**

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

**Issue: Is the basis for establishing the OAN for Tandridge consistent with national policy and guidance?**

**Q2.1** Is the preparation of the SHMA on the basis of a Housing Market Area (HMA) defined for Tandridge District justified? Is the definition of the HMA consistent with the Planning Practice Guidance?

2.1 This question is one largely for the Council to answer.

2.2 We note that Document HNS21 suggests that the Tandridge HMA is justified because other neighbouring authorities already have Plans in place. That is insufficient justification for the definition of the HMA. The SHMA should establish the identified needs within the HMA (the Council’s own evidence indicates a wider HMA). The ability of the Authority to accommodate those needs, including of other authorities does not mean that the obligation to identify the needs of the area should be set aside. Whether they can be met is a separate and subsequent question.

2.3 The PPG (Paragraph 008: Reference ID:2a-008-20140306) sets out that “establishing the assessment area may identify sub-markets with specific features, and it may be appropriate to investigate these specifically in order to create a detailed picture of local need”. The report ‘Defining the Housing Market Area – Technical Paper for Tandridge District Council’ (Turley, 2015) at paragraph 6.14 clearly states that the “…evidence points towards Tandridge being a functional component of a HMA including Croydon, Reigate and Banstead and Mid Sussex”.

2.4 Despite the approach proposed in this evidence, the Council have sought to treat Tandridge as an isolated HMA, and subsequently fails to robustly identify the housing need.

2.5 Therefore, in response to this particular question, the Council’s approach is not justified nor consistent with the PPG, paragraphs 14 and 182 of the NPPF (2012), or indeed its own evidence base.

**Q2.2** 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?

2.6 This is a matter for the Council to respond, and for the Inspector to consider. We are aware of different stances being taken at Examination but an early indication on this matter from the Council would assist all participants.

2.7 It is however apparent that this particular Plan has sought to suppress housing need at every juncture, from the timing of the submission of the Local Plan for Examination to the use of the 2016 household projections at a time when government clearly gave a
clear statement that the 2016-based projections are not a justification for lower housing needs and that the use of the 2014 based projections. We set out in our response to Q2.11 a table identifying the various relevant figures and the degree of shortfall. The Council’s assessment of housing needs uses the 2016-based household projections and as such is significantly lower than needs assessed using the standard methodology, or the 2014-based household projections.

2.8 The implications of the Council’s approach will lead to the Plan being out of date as soon as it is adopted. Whilst the Plan is being examined against the policies in the 2012 NPPF it will, of course, be applied under the auspices of the 2019 NPPF. At the very least, this Plan will need to be the subject of an immediate review and an explicit policy should be inserted to facilitate it to avoid any uncertainty and to encourage the Council to adopt a Plan that meets its objectively assessed needs in full.

Q2.3 Is the 20% Market Signals adjustment justified?

2.9 The Council does not make an explicit adjustment to respond to market signals and therefore does not apply a positive response to address worsening affordability, and despite the significant need for affordable homes identified in the Council’s own evidence base (document HNS11 refers) which amounts to an annual rate higher than the total annual planned provision. This contrasts with the approach recommended by a number of Local Plan Inspectors as referenced at paragraph 3.3 of the aforementioned report that;

“...a number of Local Plan Inspectors have considered adjustments of up to 30% reasonable. It is also noted within the review that the Inspector examining the Mid Sussex Plan – within the HMA defined for Tandridge – concluded that a 20% adjustment was reasonable in the context of evidenced affordability issues.”

2.10 The 2015 Neil McDonald Report appears to contend that there is no basis for applying adjustments to the baseline demographic projections, because neighbouring LPAs appear to experience similar ‘market signal’, pricing or affordability trends. Yet, the Mid Sussex Inspector (at page 3 of their Interim Letter to the Council) made it clear that such an approach is flawed;

“The Council [Mid Sussex] places much reliance on the relative position of Mid Sussex vis-à-vis other districts in the HMA and in Sussex. It believes that if house price trends and related signals in Mid Sussex are broadly aligned with those in nearby authorities, which by and large they are, it should not be necessary to make a significant uplift to its OAN to reflect market signals. The flaw with this is that if each authority simply had regard to similar trends in neighbouring authorities, and each plan were to replicate the OAN approach of its neighbours, the cycle would be perpetuated and there would be no adequate response to continually worsening affordability.”

2.11 As such, it is not considered that the conclusions of the 2015 Neil McDonald report (and consequently the housing need figure identified in the Draft Local Plan) are robust or justified in the context of the latest available evidence.

Q2.4 Is the approach to defining affordable housing needs justified?

2.12 This is a matter for the Council to respond, but it is clear that the policy must accord with the definition in the latest NPPF (2019).
Q2.5  Are the assumptions made in respect of employment growth realistic?
2.13  This is a matter for the Council to respond.

Q2.6  Are there other relevant factors to be taken into account in calculating the OAN?
2.14  The Plan appears to acknowledge that the Local Housing Need figure would give rise to a greater housing requirement. Had the Local Plan been submitted after the 24th January 2019 (just one week later than it was) then the housing requirement would have been based upon the standard methodology which (in our opinion) would require 648 dpa (as a minimum).

2.15  A delay (one week) to the submission of the Local Plan would have helped to support the delivery of new homes in general and have assisted in meeting the significant level of affordable housing need identified in the Council’s own evidence. In calculating its housing need, it has failed to take account of the requirement for affordable homes, as clearly explained in Document HNS11.
B: The housing requirement

**Issue**: Is the plan positively prepared and justified given that the Plan provides for 6,056 homes in the Plan period, against the OAN of 9,400 as set out in the Publication Plan and the OAN of 7,960 set out in the document Updating the Objectively Assessed Housing Needs of Tandridge (HNS5)?

**Q2.7** Is the Plan justified in not meeting the full OAN for Tandridge and is it consistent with paragraph 14 of the Framework?

2.16 No. The Plan fails to provide for its housing needs by at least 1,904 – 3,344 homes.

2.17 Document HNS5 concludes:

- A need for 332 dpa just for Tandridge’s demographically based housing need
- Applying a 20% market signals uplift gives a housing need of 398 dpa

2.18 The Plan fails to provide for demographic needs and the market signal uplift to address affordability and as established in Document HNS11, the Plan fails to provide for affordable housing needs:

“The updated calculation indicates that **391 affordable homes are needed annually** in Tandridge over the next five years, in order to both clear the existing backlog and meet new need arising during this period”

2.19 The affordable need for the plan period equates to 7,820 homes. If all homes were delivered on a policy compliant level of affordable homes (40%) this would require an overall housing target of 19,550 homes for the plan period.

**Q2.8** Have all realistic options for meeting the OAN within Tandridge in full been exhausted?

2.20 No. The ‘Regulation 19 Housing Topic Paper (2018)’, identifies (at Table 2, page 24) that there are deliverable and developable sites capable of delivering **22,895 dwellings** (2019 to 2033). Yet, the council concludes that it can only achieve **6,056 units**. We have significant concerns regarding the extent to which the Council has thoroughly interrogated these options.

2.21 Having identified a significantly greater supply of sites (see Document SAD6 where sites are found to be deliverable, developable and in accordance with the preferred spatial strategy), many of these have then been arbitrarily discounted in other documents, for example via the inconsistent (and restricted) assessment of sites in the Green Belt. It is evident that not every site, which is regarded as deliverable or developable, is correspondingly suitable for development. However, it is equally clear that there are extensive areas of the district that are unconstrained by largely immutable constraints, such as AONB’s, SSSIs and functional flood plains.

2.22 It is accepted that the vast majority of the District falls within the Green Belt. However, this constraint does not prevent development where there are exceptional

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*Affordable Housing Needs Assessment for Tandridge (Updated 2018)*
circumstances to justify the revision of Green Belt boundaries so as to allow development.

2.23 As such, a fundamental issue with the Draft Local Plan is that the Council appears to have set out (from the outset of the Plan-making process) to use the Green Belt designation as a justification to avoid meeting housing needs. This is clear from paragraph 2.6 of the Duty to Cooperate Statement Update (2018) and also the Draft Plan’s proposed settlement hierarchy, within which the Council has sought to present Caterham as two distinct settlements so as to avoid additional Green Belt releases there. Similarly the Council also underestimates the extent to which there are exceptional circumstances at a macro-level which would justify the release of additional Green Belt land to meet full needs.

Q2.9 What are the consequences of not meeting the OAN within the HMA for delivering a wide choice of high-quality homes, widening opportunities for home ownership and creating sustainable, inclusive and mixed communities which meet the needs of different groups in the community?

2.24 The suppressed housing requirement/supply means that fewer houses will be provided than required, the opportunities for home ownership will be restricted (by the restricted supply). The failure to make even a meaningful contribution to meeting affordable housing needs (recognising that the large reliance on windfalls – both consented and envisage - will be on small sites that won’t contribute, and it will be unlikely that the GC can due to infrastructure costs) will mean that those in need of such accommodation are unable to access suitable, affordable housing in the area.

Q2.10 Would and/or where would any unmet housing need arising in the Tandridge HMA during the Plan period be met?

2.25 Document HNS2 refers to the prospect of unmet need being accommodated through a review of the Reigate & Banstead Core Strategy which is to be undertaken in 2019. That LPA has recently decided not to review its Core Strategy and so we do not consider that TDC should place any reliance on Reigate & Banstead as an opportunity to accommodate its unmet need.

2.26 Document HNS2 does not refer to any other opportunities to accommodate unmet need arising from within Tandridge. There are no formal arrangements in place to discharge the Duty to Cooperate.

2.27 We do not consider that there is a realistic prospect of Tandridge’s unmet need being addressed by any adjoining authorities.
C: The overall supply of housing

**Issue: Is the proposed supply of housing for the Plan period realistic?**

Q2.11 Does the housing trajectory set out in the Housing Topic Paper (HNS2) provide a sound basis for meeting the identified housing need?

2.28 Fundamentally “no”. The table below seeks to summarise the different assessments and clearly shows that the degree of the shortfall will be substantial, irrespective of the requirement against which it is based.

<table>
<thead>
<tr>
<th></th>
<th>Per annum</th>
<th>Requirement</th>
<th>Shortfall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Housing Need figure</td>
<td>648</td>
<td>12,960</td>
<td>-6,904</td>
</tr>
<tr>
<td>SHMA OAN using 2014 household projections</td>
<td>470</td>
<td>9,400</td>
<td>-3,344</td>
</tr>
<tr>
<td>SHMA OAN using 2016 household projections</td>
<td>398</td>
<td>7,960</td>
<td>-1,904</td>
</tr>
</tbody>
</table>

2.29 In any event, it is clear from the Local Plan itself (TLP01: Spatial Strategy) that the total expected sources supply provide for 6,506 dwellings, including the contribution that come from windfall sources, town centre initiatives and an empty home allowance.

2.30 There is no flexibility or buffers within the Local Plan to allow for the fact that some of these sources may not deliver as expected. This represents a very significant risk that the housing requirement in the Plan which is 1,904 – 6,904 homes short of the identified need will not be achieved.

2.31 On this basis (irrespective of whether the Plan is based upon an appropriate assessment of housing need), and fails to accord with the NPPF 2012 (paragraph 14) requirement that “Local plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change”.

Q2.12 Is the housing trajectory realistic and deliverable in terms of its components and are there any threats to delivery?

2.32 The trajectory at Appendix 3 of Document HNS2 does not provide a detailed analysis of delivery rates based on reported evidence. On that basis, we consider that there should be a significant degree of uncertainty as to whether even the suppressed housing requirement can be achieved. Our comments on the deliverability of the Garden Community are set out elsewhere.

Q2.13 Is the contribution towards housing supply of housing from windfall, town centre initiatives and the predicted supply of 20 vacant dwellings per annum being brought back into use realistic and justified?

2.33 Document HNS2 envisages that these sources of supply deliver a total of 1,016 dwellings in the Plan period, representing 17.52% of the overall supply. However, the Council cannot have any certainty that these sources will contribute as expected. The
significant reliance on these sources of supply represents an inherent risk to the delivery of the Plan’s requirements.

Q2.14 Is it justified that HSG20; North Tandridge: One Public Estate (NTOPE), Caterham is included in the housing trajectory?

2.34 It appears as though there is a significant degree of uncertainty regarding the deliverability of this scheme. As the Plan itself acknowledges, the contribution of 82 dwellings “stems from the Council’s current understanding of the assets that could be included within the programme”. Since the area of the allocation has not been defined, that compounds the uncertainty.

2.35 If this understanding is wrong and this site does not provide 82 dwellings and all other sites and other sources of supply as expected, the Plan’s housing requirement will not be achieved.

Q2.15 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?

2.36 We have not provided specific comments in this regard but refer to our previous representations regarding infrastructure provision.

Q2.16 Given that the proposed South Godstone Garden Community is intended to deliver around 1,400 new homes in the Plan period and the details of the development would be considered by an Area Action Plan (AAP), would it be effective to include within the Plan a Policy which commits the Council to a review of the Plan if the AAP is not adopted by a specified date in order to sustain the supply of housing?

2.37 There is significant uncertainty regarding the deliverability of the Garden Community (GC) within the Plan period. Document SAD2 considers three options regarding the deliverability of the Garden Community and it appears as though the potential use of CPO powers is also being considered.

2.38 The Council has not identified the specific area of land which will be released from the Green Belt to provide for the Garden Community. An ‘Area of Search’ is established, however there is no certainty that parts of this area will be developable or be released from the Green Belt based upon evidence undertaken to inform the AAP. A similar issue recently arose at the Hart EiP where the Inspector advised that the proposed ‘area of search’ at Winchfield should either have a firm policy basis or be removed entirely from the Plan. In that case the site was removed as it was not considered necessary to meet the Council’s housing requirement. In this case the inclusion of a fundamental component of the Council’s supply as just an area of search cannot be considered effective or justified.

2.39 We note that Document HNS2 (paragraph 374) envisages the AAP preparation process will commence in 2019. We invite the LPA to confirm whether that process has commenced, bearing in mind the progress of the Local Plan Examination and the objections to this GC. There has, to our knowledge, been no publicity on such activity or substance.

2.40 Appendix 3 of Document HNS2 expects that development within the GC will commence in 2026/27 and deliver a consistent rate of 200 dpa before the end of the Plan period (i.e. will have delivered 1,400 dwellings by 2033).
2.41 The Foreword to the Plan itself acknowledges that “A Garden Community can take at least 6 to 10 years to plan and formulate policy for.”

2.42 The LPA’s LDS for 2018 (Document OTH2) envisages that the AAP could be adopted in April-June 2023, leaving only three years before the LPA expects the GC to begin delivering homes. That is incredibly optimistic on a site which has numerous uncertainties. The LPA’s assumptions are that the site delivers housing approximately 7 years from when they expect the Local Plan to be adopted.

2.43 The GC is complicated by the need for an AAP to be prepared and (as demonstrated by Document SAD2), potentially for land to be secured and the complex range of infrastructure needs associated with it in the IDP (see pages 30 – 33 of Document INF1). The Infrastructure Plan for the GC includes £45M of HIF funding yet it is unclear what happens if the bid not successful, and a further £105M from CIL.

2.44 Based on the Council’s CIL rate of £120psm and an average house size of 95sqm, 9,210 private houses would be required to deliver a CIL receipt of that scale. With 40% of homes required to be affordable, a total of 16,350 homes are required to generate £105M of CIL.

2.45 There is no guarantee that the 1,400 dwellings will be delivered within the Plan-period given these infrastructure uncertainties and other deliverability questions. The proposal for GC has simply not been developed to a point where it is possible to suggest (with any confidence) when it will come forward and it will not be advanced until some significant way through the remaining Plan period, particularly given the need for the adoption of a new Plan to release the site from the Green Belt.

2.46 The fact that there is such uncertainty regarding the deliverability of the GC is of significance since 1,400 dwellings represents nearly a quarter (23.12%) of the total expected supply to 2033. This could have very severe consequences for the achievement of the housing supply expected (compounding the fact it already falls short of requirements).

2.47 Nearly a quarter of the Plan’s expected supply is therefore to be delivered from within an area of search where the site has not been identified and which will not be identified for some years, then has to be released from the Green Belt through a new Plan and Examination, with a potential need to secure land and with all other normal planning requirements to be discharged.

2.48 By our calculations (and using Appendix 3 of Document HNS2), if the delivery of the GC were delayed by just four years (assumed as starting in 2030/31, although we maintain that even that is optimistic) that would remove some 800 dwellings from the overall stated supply (more than 10% of the total expected).

2.49 The delivery of the GC is so uncertain that its retention within the Plan renders it unsound, compounding the fact that the GC is expected to make such a significant contribution to housing supply.

2.50 If the GC is retained, the supply should be significantly diversified in order to provide greater opportunities to achieve the housing requirement (whatever that ends up as).
As suggested by the question, at the very least an early review policy must be inserted into the Plan, if the GC is retained or not. However, we contend that the reliance on it is unjustified, not effective or deliverable, and this goes to the heart of soundness of this Plan.
D: Five year housing land supply

**Issue: Would the Plan secure a five year supply of deliverable housing sites?**

**Q2.17** Will the Plan provide for a five year supply of deliverable housing sites on adoption?

2.51 In our opinion, no. The table at **Appendix 1** of this Statement indicates a potential view, assuming all sites deliver as expected, as to the rolling housing supply position throughout the Plan period, applying a 5% buffer (as per the Council’s approach) and the Sedgefield method.

2.52 **Appendix 1** demonstrates, the Local Plan could result in a 5YHLS on adoption assuming all sites immediately begin to deliver as expected. That is incredibly optimistic as in our view it will shortly require permission to be granted for sites which the LPA may consider unacceptable unless they are allocated in an adopted Local Plan.

2.53 Given the revised definition of deliverable sites in the NPPF 2019 there is a significant risk, due to the lack of any flexibility (supply compared to requirement) that the Council will be unable to demonstrate a 5 year supply shortly after adoption if sites do not deliver as expected (for example if permission is not granted).

2.54 However, **Appendix 1** demonstrates that the Local Plan will fail be unable to maintain a rolling 5YHLS during the Plan period, even if all sites deliver as expected. Any delay to any source of supply will have an adverse impact on the 5YHLS position. This is particularly demonstrated through the inclusion of the GC and the lack of any flexibility. If by 1st April 2025 the GC cannot be classed as a deliverable site (under the definition contained within NPPF 2019) and 600 dwellings are excluded from the 5YHLS, then for the period 2025/26 – 2029/30, there would be **1.68 years supply**. This would worsen to **0.3 years supply** on 1st April 2028 if the GC is not considered deliverable within the 5YHLS at that point.

2.55 Additional sources of supply should be identified in order to address the housing land supply shortfall which will arise very early in the Plan period after adoption, provide flexibility and in doing so contribute to the assessed requirements. With the various constraints in the District, there will be no recourse available to housebuilders to benefit from the presumption in favour of sustainable development and so little opportunity for ‘alternative’ sites to come forwards outside of the Plan making process. The Plan should not seek to support a 5YHLS only at adoption, but should provide the basis for maintaining a rolling 5YHLS throughout the Plan period. This Plan fundamentally fails to do so.

2.56 Under the NPPF 2019, the housing supply position is calculated against the requirement of a Local Plan where adopted within the last five years. Where the Plan is more than 5 years old, the requirement is based on the Local Housing Need figure. As noted elsewhere, that figure is significantly higher than the Plan requirement. On that basis, there is a high likelihood (almost a certainty given the figures in **Appendix 1**) that 5 years after the adoption of this Plan, the Council would be unable to demonstrate a 5 year supply. Presumably at that point, the Council would undertake to review the Plan (although there is no certainty of that as we have seen recently at Reigate and Banstead) and potentially need to address an increased requirement. In this case it is clear that sites are available to meet the increased requirement now.
Q2.18 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?

2.57 We do not provide specific comments in this regard, other than to note that a 20% buffer could be used as a tool to provide a degree of flexibility and note that the shortfall already built up from a lower housing target over recent years will be compounded. The limited development in the District points to Tandridge being a 20% authority due to consistent under delivery.

Q2.19 What are the implications of the Housing Delivery Test for the five year supply of housing after the Plan is adopted, having regard to the application of the appropriate buffer as set out in paragraph 73 of the revised updated National Planning Policy Framework 2019?

2.58 We refer to our response above, and consider that it is for the Council to respond to this specific question.
E: TLP:12 Affordable Housing Requirement

*Issue: Is the OAN for affordable housing justified and in line with national policy and guidance?*

**Q2.20** Does the SHMA’s approach to calculating affordable housing need, comply with the stages set out in the Planning Practice Guidance?

2.59 We refer to our response above noting the identified affordable housing need is greater than total allocations annually, and consider that it is for the Council to respond to this specific question.

**Q2.21** 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?

Considerations include:

- Are the affordable housing requirements set at levels which maximise the delivery of affordable housing whilst not affecting the deliverability and viability of the Plan?
- Is there a need to increase the housing requirement to help deliver more affordable housing?
- What is the justification for the 15 dwellings or over threshold in Tier 1 settlements?
- Is the policy justified in applying the affordable housing requirement to housing sites of five dwellings and over outside of Tier 1 and Tier 2 settlements and sites allocated as Green Belt Releases and is it consistent with national policy set out in the Written Ministerial Statement (WMS) of 28 November 2014 and the Planning Practice Guidance (031 Reference ID: 23b-031-20160519) on support for small-scale developers, custom and self-builders (or the Framework 2019)?
- The Policy states that the tenure and size split will be determined by the Council’s most up to date Housing Strategy. Is the Policy, in requiring compliance with the Housing Strategy consistent with national policy given that the Housing Strategy is not part of the development plan?

2.60 It is essential that the housing requirement is increased in order to help deliver more affordable housing, noting that the evidence indicates a need for 391 affordable dwellings per annum, significantly more than the levels provided for by the Local Plan. The housing requirement should be increased in order to ensure that the Plan provides for the needs of the area, including the identified need for 7,820 affordable homes.

2.61 We refer to the previous representations regarding the other affordable housing matters referred to in Q2.22.

**Q2.23** Are the proposed Modifications to Policy TLP12 necessary for soundness?

2.62 The proposed MM’s do not deal with the fundamental issue with this policy, and as such we consider that it is for the Council to respond to this specific question.