HEARING STATEMENT

On Behalf of Ashill (Respondent ID 996072)

Matter 2

September 2019
1.0 Introduction

1.1 On behalf of our client, Ashill, CBRE is instructed to submit Hearing Statements to the Tandridge District Council ‘Our Local Plan’ 2033 (July 2018) (hereafter ‘the Plan’).

1.2 Ashill has an interest in three sites within Tandridge that they have been promoting through the Local Plan process. These include:

- GOD 001 – Godstone Reservoirs
- CAT 019 – Caterham Reservoir
- OXT 021 – Land west of Red Lane. This is Draft Site Allocation HSG13.

1.3 As discussed in more detail within the five Matter Statements (1, 2, 3, 4, 6), both omission sites (GOD 001 and CAT 019) are strategically located and offer a solution to the identified issues of soundness with the submitted plan. A separate Matter Statement has been provided in respect of the Inspector’s Questions for Site HSG13 which is allocated in the Plan.

1.4 GOD 001 and CAT 019 are both owned by Surrey and East Surrey Water, a major local employer within the wider area. Land west of Red Lane (OXT 021) is being jointly promoted by the two landowners, Surrey County Council and Ashill.

1.5 Ashill have previously made representations during the Our Local Plan: 2033 (Regulation 19) August 2018 and Local Plan: Garden Villages Consultation 2017. The representation references for this submission is 996072.
2.0 Matter 2: The Provision of Housing

PART A - 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

2.1 Recent Inspector’s Reports in Wycombe District Council (July 2019) and Guildford Borough Council (March 2019) have considered the issue of the use of 2016 Based Household Projections.

2.2 In Wycombe District Council the Inspector concluded at Paragraphs 28 and 29 of her report that:

‘The 2016 – Based Household Projections for England were issued shortly after the completion of the LP hearing sessions in September 2018. The projections indicate that household growth in Wycombe has slowed significantly and that the number of households shown in the 2016-based household projections is approximately 40% lower than that shown in the 2014-based household projections...

However, there are some doubts about the reliability of the 2016-projections and their reliability for plan making. Notwithstanding this, the PPG on HEDNA makes clear that the household projections are only the starting point for establishing a housing requirement figure. For these reasons and having regard to the importance of boosting the supply of housing, it would be unjustified to revisit the Plan’s evidence base and delay adoption of the Plan in the light of the 2016-based projections.’

2.3 In the case of Guildford Borough Council, the use of the 2016 – Based Household Projections was accepted, however, key in the Inspector’s Report was how the 2016 Based Household Projections had been adjusted to account for the acknowledged methodological shortcomings in using them as the basis for housing targets. As stated at Paragraph 25 of the Inspector’s report:

‘Moreover, the plan’s housing requirement in MM2 is based on a methodology that makes a range of significant adjustments to allow for factors such as household formation rates, jobs-related growth and other local issues.’

2.4 Thus, from a 2016 – based Household Projection Figure of 308 DPA, with adjustments the OAN for Guildford was 362 DPA.

2.5 In the case of Tandridge, the 2016 based household figures are used but with limited adjustments made to this figure – only a 20% market signals uplift figure to 398 DPA. Without significant adjustments being included to reflect the methodological shortcomings of the 2016 based household projections, housing growth is suppressed.

2.6 Thus, whilst in principle the use of the 2016 based household projections could be acceptable, the lack of appropriate adjustments results in a figure that it not based on proportionate evidence and is thus not justified.

2.7 Recent sensitivity analysis conducted by the ONS has further highlighted the sensitivities in the use of the 2016 based projections.

2.8 In the absence of necessary adjustments being made to the household formation rates, the 2014 household projections should represent the most appropriate starting point for the Plan.
2.0 **Matter 2: The Provision of Housing**

**PART A - QUESTION 2.3**

*Is the 20% Market Signals adjustment justified?*

2.9 Paragraph 80 of the Housing Topic Paper (HNS2) usefully sets out a comparison between the uplifts that have been applied in Inspector’s Reports. This is reproduced below:

<table>
<thead>
<tr>
<th>AUTHORITY</th>
<th>DATE OF INSPECTORS REPORT</th>
<th>UPLIFT</th>
<th>2017 MEDIAN WORKPLACE AFFORDABILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bromsgrove</td>
<td>December 2016</td>
<td>20%</td>
<td>10.24</td>
</tr>
<tr>
<td>Canterbury</td>
<td>June 2017</td>
<td>20%</td>
<td>11.03</td>
</tr>
<tr>
<td>Mid Sussex</td>
<td>March 2018</td>
<td>20%</td>
<td>12.69</td>
</tr>
<tr>
<td>Waverley</td>
<td>February 2018</td>
<td>25%</td>
<td>14.50</td>
</tr>
<tr>
<td>Camden</td>
<td>May 2017</td>
<td>20%</td>
<td>19.95</td>
</tr>
</tbody>
</table>

Source: Table 3 of Housing Topic Paper

2.10 In 2017 the Median Workplace Affordability Ratio for Tandridge was 14.10. The justification in the supporting text references Camden as having a higher affordability ratio and a 20% uplift. Such a comparison is misleading and compares two very different spatial contexts. More appropriate would be the comparison to Waverley which as a Surrey authority, has greater similarities to Tandridge than Camden.

2.11 Notwithstanding the above, the publication of the 2018 Median Workplace Affordability has confirmed a material worsening of the affordability ratio in Tandridge which now has an affordability ratio of 15.62. The material increase from 2017 – 2018 is the 5th biggest increase for all authorities in England and Wales. Waverley has seen the 4th biggest increase.

2.12 The rate of increase over the past year is testament to the extent of affordability pressure in Tandridge. The mirroring of trends in Waverley further underscores the need for a 25% uplift to be applied.

**PART B - QUESTION 2.7**

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

**Response**

2.13 To be justified ‘the plan should be the most appropriate strategy, when considered against the reasonable alternatives, based on proportionate evidence.’ As set out in Matter 1, there are reasonable alternatives in the SA which have been prematurely dismissed due to housing growth being attributed to poor economic outputs to the Plan.

2.14 The Housing Topic Paper (HNS2) includes several references to the majority of the District being designated as Green Belt (94%). Whilst this is a relevant consideration in establishing how the OAN should be addressed, in itself it is not justification for a lower housing target and needs to be balanced against other considerations to ensure that social, economic and environmental objectives are appropriately balanced. Guildford includes 89% coverage by Green Belt/ and or AONB and has recently adopted a housing target of 562 DPA.

2.15 As set out in our response to Question 2.8, there are reasonable options available that would allow for a greater quantum of the OAN to be met. In a number of cases, sites have been rejected on the basis of factors that could be mitigated through appropriately worded development management policies/ site allocations.
2.0 Matter 2: The Provision of Housing

2.16 When the extent of Green Belt land in Tandridge is viewed under a ‘positively prepared’ approach as advocated by the NPPF, it is clear that changes can be made to the Green Belt boundary without the overall strategic role and function of the Green Belt being undermined such is the extent of Green Belt coverage in the District. In balancing the competing sustainability objectives (including job and housing growth), the extent of Green Belt land in the District provides a platform for mutual benefits to be achieved across all sustainability objectives whilst not significantly altering the character of Tandridge.

PART B - QUESTION 2.8

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

Response

2.17 Through the Housing Topic Paper (HSN2) it is apparent that the approach to the site selection process means that all realistic options for meeting the OAN have not been fully exhausted. As stated at Paragraph 15 of the Document:

‘Most of the District is designated as Green Belt (94%) meaning that any site within the Green belt which is suitable, available and acceptable in relation to ecology and landscaping and which accords with the Council’s spatial strategy has been addressed for exceptional circumstances.’

2.18 Within the planning balance ecology and landscaping considerations can fall into statutory designations (i.e. those covered by Footnote 9 of the NPPF) and more local, site specific features. For those sites that are not covered by ‘Footnote 9 Constraints’ there is scope for policies in a Local Plan to ensure that ecological and/or landscape mitigation is provided as part of the development of a site. In the context of the extent of housing need in Tandridge, such an approach would be consistent with Paragraph 14 of the NPPF. GOD 010 and CAT 019 offer opportunities for landscape and ecological mitigation and enhancement to be included as part of proposals. This is not fully explored or exhausted through the Local Plan work, despite being a suggested next step in the 2016 SA for the Sites Consultation Document. The SA should assess site options with proposed mitigation scenarios to better understand development capacity and ensure that all options for meeting OAN are fully considered.

2.19 In the case of GOD 001 for example, Submission Document ECO1 acknowledges that 50% of the site would be unsuitable for development. What is not subsequently explored is that a significant proportion of the site (i.e. the remaining half) is ecologically suitable. Moreover, no opportunities are considered as to how proposals could improve biodiversity and access to nature.

PART B - QUESTION 2.9

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?

Response

2.20 The material increase in Median Workplace Affordability (2017 – 2018) serves to underscore the importance of Tandridge delivering its OAN in order to deliver a strategy that meets the social and economic objectives of the Plan.
2.0 Matter 2: The Provision of Housing

2.21 The provision of housing below the required OAN will make limited difference to the affordability ratios in the area and, fundamentally, not deliver the Plan’s vision.

**PART C - 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**

2.22 For the reasons set out in response to Questions 2.12 – 2.15 the Plan does not provide a sound basis for meeting the identified housing need.

2.23 We note that the Housing Delivery Test Action Plan (August 2019) published by TDC includes the deletion of 89 units from schemes in which planning permission has now expired. This deletion should be reflected in amended completion figures for the Housing Trajectory.

2.24 The deletion of these units highlights the need for a lapse rate of 10% to be include in the proposed trajectory. From our review of the evidence provided by the Council we have not seen evidence to support a lapse rate not being required.

**PART C - QUESTION 2.12**

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

**Response**

2.25 Document HNS2 states that 200 homes are anticipated to be provided on the South Godstone Community Scheme per year from 2026. The Garden Village as proposed amounts to 23% of the total proposed supply within the Plan and therefore its delivery, viability and trajectory is key to the success or failure of the Plan.

2.26 Whilst developing a scheme of this scale would be complex and timely in any event, it is clear that South Godstone has a number of significant issues. The complexity of the project is well summed up in the below which was produced for a July 2019 Council Meeting by the Council’s advisors Avison Young.
2.0 Matter 2: The Provision of Housing

4. Current Ownership and Promoters

4.1 There are approximately 103 plots in total (excluding the 356 small plot holders within the ‘ trio land’). Of these 103 plots, there are approximately 29 land owners with significant sized plots greater than 135 acres, which combined total over 1,050 acres of the 1,134 acres which comprise the wider Area of Search.

4.2 There are also around 356 small plot owners within the ‘ trio land’ at the far south east of the site who were sold plots on an investment basis, though they were sold without access. Most of the owners are believed to reside in India and Pakistan.

4.3 Whilst the land ownership is complicated and in multiple ownerships with a large number of owners, there are a number of land promoters who have been in discussions with some of the landowners and are seeking to assemble parts of the site through option and promotion agreements.

4.4 Avion Young was instructed to review all engagement the Council has had between land owners, land promoters and other strategic parties to ensure that its understanding of the current position is up to date and so that we could provide analysis on land acquisition matters and what potential impact this may have on the chosen delivery option.

4.5 Our review confirmed that the Council has so far acted in these discussions in its role as the local planning authority; as such, we found that no commercial negotiations had taken place. Though arising from our review, there are a number of key issues around the current land owner and land promoter situation which could have a bearing on the councils preferred delivery option route.

2.27 Notwithstanding the above, it is well acknowledged that the development will require strategic upgrades to Junction 6 of the M25. As a critical junction for the operation of the M25, work to upgrading this will need to be carefully phased and planned to avoid disruption to the wider network. The timescales of this could result in further delays.

2.28 The policy framework around the South Godstone site also necessitates the need for an Area Action Plan (AAP) to be in place to shape developments that come through in this area. The Local Plan confirms that the AAP will be subject to public consultation. The production of this document, whilst necessary for such a large-scale development, will further delay the timescales within which a planning application submission could be made. This further undermines the Council’s assessment that delivery on the site could occur from 2026.

2.29 Given the extent of local opposition to the Garden Village (this also acknowledge by a Inspector in a recent appeal decision) it would not be unreasonable to suggest that any decision on the site could be the subject of a call-in or High Court appeal, further protracting any start date on site.

PART C - QUESTION 2.13

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?

Response

2.30 Whilst the NPPF (2012) does provide encouragement to bringing empty homes back into use, this would be more appropriately be considered as a component of any ‘oversupply’ rather than a core part of the housing trajectory. The location and type of homes identified through

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1 APP/M3645/W/18/3198090
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this source will not necessarily accord with the spatial hierarchy or needs profile set out in the SHMA and as such should not be considered as a core component of the housing supply.

PART C - QUESTION 2.14

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

Response

2.31 Paragraph 22.4 of the Plan is clear that the sites that are the subject of Policy HSG20 are in a range of ownerships. In respect of the One Public Estate Programme it is noted at Paragraph 22.5 that this is at an early stage.

2.32 The inclusion of 82 dwellings as part of the proposed housing trajectory in years 2027 – 2029 in Document HNS2 is not justified or consistent with the NPPF. Footnote 12 of Paragraph 47 of the NPPF (2012) states that to be considered ‘developable’ for years 6 – 10 ‘sites should be in a suitable location for housing development and there should be a reasonable prospect that the site is available and could be viably developed at the point envisaged.’

2.33 Whilst we acknowledge the suitability of Caterham as a location, the nature of the proposed source is best considered as windfall contribution. The policy wording descriptions reference to ‘including sites such as’ reflects the lack of certainty as to the prospect of any one particular site coming forward.

Response

PART C - QUESTION 2.16

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?

Response

2.34 If the proposed contribution from the South Godstone Garden Community was substantially backdated to the end of the Plan period we could see the merit in a Plan Review Policy to ensure that progress was maintained. However, on the assumption that a review policy would be implemented on the basis of a period of at least 5 years, it is our contention that such an approach would not be positively prepared.

2.35 The lack of certainty in the delivery of the South Godstone Garden Community requires Main Modifications now to resolve. Other sites are suitable and available in Godstone that, if allocated, would serve as contingency for the inevitable delays in the progression of the South Godstone Garden Community.

2.36 Work undertaken by iTransport in respect of GOD 001 has indicated that the site could be developed without any material impact to Junction 6 of the M25.

PART C QUESTION 2.17

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

Response

2.37 Paragraph 432 of Document HNS2 states that for the six-year period between 2013 – 2019 there has been a shortfall of 112 dwellings. Our review against the completion figures
2.0 Matter 2: The Provision of Housing

Included within Tandridge’s Housing Delivery Test Action Plan (2019) states that the shortfall is three times this figure at 352.

2.38 The Trajectory at Appendix 4 also includes an assumption for 504 units in 2018/2019. As seen from the below the Council delivered 244 during this period. This further justifies a lapse rate figure in the assumed supply rates for Tandridge.

Delivery in Tandridge

<table>
<thead>
<tr>
<th>YEAR</th>
<th>COMPLETIONS</th>
<th>SHORTFALL AGAINST 303 DPA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013/2014</td>
<td>256</td>
<td>-47</td>
</tr>
<tr>
<td>2014/2015</td>
<td>142</td>
<td>-161</td>
</tr>
<tr>
<td>2015/2016</td>
<td>322</td>
<td>19</td>
</tr>
<tr>
<td>2016/2017</td>
<td>228</td>
<td>-75</td>
</tr>
<tr>
<td>2017/2018</td>
<td>332</td>
<td>29</td>
</tr>
<tr>
<td>2018/2019</td>
<td>244</td>
<td>-59</td>
</tr>
</tbody>
</table>

Source: Housing Delivery Statement August 2019

2.39 Including this shortfall along with a 10% lapse rate provides the following figures:

<table>
<thead>
<tr>
<th>INPUT</th>
<th>303 DPA</th>
<th>398 DPA</th>
<th>490 DPA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Requirement 2019 – 2023</td>
<td>303 * 5</td>
<td>398 * 5</td>
<td>490 * 5</td>
</tr>
<tr>
<td>Shortfall 2013 – 2018</td>
<td>352</td>
<td>352</td>
<td>352</td>
</tr>
<tr>
<td>Adjusted Requirement</td>
<td>1867</td>
<td>2342</td>
<td>2802</td>
</tr>
<tr>
<td>With 5% Buffer (PA)</td>
<td>1960</td>
<td>2459</td>
<td>2942</td>
</tr>
<tr>
<td>(PA)</td>
<td>(392)</td>
<td>(491)</td>
<td>(588)</td>
</tr>
<tr>
<td>Supply 2019 - 2023</td>
<td>1,914</td>
<td>1,914</td>
<td>1,914</td>
</tr>
<tr>
<td>10% Lapse Rate</td>
<td>1,722</td>
<td>1,722</td>
<td>1,722</td>
</tr>
<tr>
<td>Years Supply</td>
<td>4.3 Years</td>
<td>3.5 Years</td>
<td>2.9 Years</td>
</tr>
</tbody>
</table>

2.40 The above highlights that when assessed against a range of annualised housing figures the Plan will not be adopted with a 5-year supply of sites. Even on a DPA of 303 (which we disagree with) there is no five-year supply of sites.
3.0 Main Modification in Response to Matter 2

3.1 In order to address the soundness issues identified in response to Matter 2 the following amendments are required to the Plan:

1. A Main Modifications consultation should be undertaken to identify the additional sites that are required to ensure that the Council has fully exhausted its options for meeting its OAN. Additional sites are also required to ensure that the Council can meet its 5-year supply on adoption. Both GOD 001 and CAT 019 can contribute to meeting housing need in the first five years of the Plan.

2. Additional sites are required to meet the shortfall that will be created in supply once (1) a lapse rate is applied, (2) a more realistic trajectory for the South Godstone Garden Community is assumed, (3) the One Public Estates initiative is removed from the housing trajectory and (4) empty homes allowance is included as part of the proposed windfall calculation.

3. A 25% Market Signals Uplift is required. In the absence of adjustments for household formation rates in the 2016 figures, the 2014-based figures represent a justified and robust evidence base for the consideration of OAN. These figures are set out below and broadly consistent with the figures included by the Tandridge Housing Forum (610 OAN).

<table>
<thead>
<tr>
<th>Market Signals and Affordable Housing Need Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2016 - 2030</strong></td>
</tr>
<tr>
<td>2014-based SNPP (‘Starting Point’)</td>
</tr>
<tr>
<td>Recommended Uplift</td>
</tr>
<tr>
<td>OAN</td>
</tr>
</tbody>
</table>