Montagu Evans on Behalf of The British Home, Macmillan Cancer Support, The Royal Alfred Seafarers’ Society, Royal Society for Blind Children and the Royal National Lifeboat Institution (‘The Charities’) & Welbeck Strategic Land

Written Submission to Tandridge District Council Local Plan Examination

Matter 6: South Godstone Garden Community & Housing Allocation HSG16

6 September 2019
<table>
<thead>
<tr>
<th>Section</th>
<th>Page No.</th>
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<tbody>
<tr>
<td>1.0</td>
<td>Response to Inspector’s Initial Matters, Issues and Questions: Matter 2 - 24 July 2019</td>
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**APPENDICES**

| 1.0 | Letwin Review Extract – Annex 1 |
SCG01: South Godstone Garden Community

Issue: Is the policy for the allocation of a broad location for a Garden Community at South Godstone justified, effective and consistent with national policy?

6.1. Is the approach that the specific details of the proposed Garden Community would be determined through an Area Action Plan (APP) effective and is it clearly justified to address these matters in an additional development plan document?

1.1 Whilst the requirement for an AAP is a logical requirement we do feel that this further layer of work adds more uncertainty regarding the delivery of the proposed Garden Community during the Plan period.

1.2 Within the emerging Local Plan, there isn’t a proposed formal allocation that seeks to identify a specific site where the Garden Community will be located, rather a broad location defined as an ‘area of search’. At this stage, there is no certainty where exactly in South Godstone the Garden Village will be located.

1.3 Reliance on an AAP to define the Garden Community boundary and to set out the specific details regarding development principles will likely impact on deliverability as it defers the formal allocation of a site until after the Local Plan is adopted. The preparation and adoption of an AAP will realistically take at least 2 years following adoption of a Local Plan. This will have a knock on impact on any forthcoming planning application, which, in all likelihood, would not be forthcoming until an AAP is in place.

1.4 Further, within the ‘area of search’ in the emerging Local Plan, there is currently no lead landowner or land promoter to bring a site forward for the Garden Community. It is understood that the previous lead developer no longer has an interest in the area and that no new parties have been identified to take this forward. As such it is Council led. The large amount of competing land ownerships is likely to frustrate any AAP process casting further doubt and uncertainty of the delivery of the Garden Community.

1.5 The Council relies on the garden village delivering 23% of their proposed housing delivery of 6,056 dwellings over the plan period. This represents a fundamental portion of the proposed housing delivery and underpins the estimated housing trajectory. Any delay to the AAP would have a significant impact on overall housing trajectory and delivery. Given the importance of the proposed Garden Community to overall housing supply, there is not sufficient evidence at this stage for the Council to justifiably rely this site being delivered. This is fundamentally an unsound approach.
6.8. When would the proposed Garden Community realistically deliver the first homes? What is the realistic rate of delivery which should be assumed?

1.6 As set out above in the response to Question 6.1 and within the Written Statement to Matter 2, the assumption by the Council that the proposed Garden Community would start to deliver residential units by 2026/27 is considered to be unjustified and unrealistic. In the light of the threats to delivery previously identified, we consider a more realistic starting point for delivery of housing from the Garden Community to be 2029/2030.

1.7 Turning to the rate of delivery assumed by the Council, document HNS2 outlines a delivery rate of 200 units PA within the housing trajectory provided at Appendix 3. Appendix 4 of document HNS2 increases this to 270 units PA. Paragraph 464 of HNS 2 states, “The Council has been advised that there are Garden Community developments that deliver 245 units in year 1 and a peak of 300 units per annum in later years, providing an annual delivery rate of c 270 units per annum, and this is a more appropriate figure that should be used in the housing trajectory. Appendix 4 has set out this forecasted rate out based on the Letwin review and more proactive delivery rates for large scale development”.

1.8 The Letwin review referred to is the Independent Review of Build Out (29 October 2018) report from the Ministry of Housing, Communities & Local Government (MHCLG). Annex A of the draft analysis report (published 29 June 2018) includes the portfolio of case study sites used to inform the report. There are only 2 examples within the case studies that are garden villages. The first is Ledsham Garden Village within Cheshire West & Chester. The report states that the projected output from this site at full capacity would be 140/150 units PA. The second is Longcross Garden Village in Runnymede. It is noted within the report that Crest, the developer, advised they anticipate a build out at peak delivery of 180 units PA.

1.9 Further clarification is therefore sought on the evidence the Council has used to inform their assumption on build out rates from the proposed Garden Community. Based on the examples above from the Letwin review, which are directly comparable to the proposed Garden Community, a much lower build out rate seems realistic. When factoring this in to the overall supply, it seems highly likely that the Council will significantly under deliver on their proposed housing supply of 6,056 units over emerging the Plan period.

6.9. Given the affordable housing need identified for the HMA, is it effective to leave the definition of a target for affordable housing to the AAP?

1.10 It is not considered effective to leave the definition of an affordable housing target to be established by the AAP. This is the largest site allocation within the emerging Local Plan and the failure to set an affordable housing target from this site indicates that the majority of the Section 106 contributions that would be provided would go toward the provision of infrastructure, as set out within the IDP, rather than the provision of much needed affordable housing.
1.11 Paragraph 47 of the NPPF states that:

“To boost significantly the supply of housing, local planning authorities should:
• use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in this Framework, including identifying key sites which are critical to the delivery of the housing strategy over the plan period…” (our emphasis).

1.12 Within the draft Local Plan submission, the Council state that the affordable housing need for the first five years of the Local Plan is 391 dpa, reducing to 310 dpa for the remainder of the plan period. The Council acknowledge that they are not able to meet this need, with the necessary requirement exceeding the proposed average annual housing delivery figure of 303 dpa.

1.13 The failure of the Council to set an affordable housing target for the proposed Garden Community at this stage adds uncertainty to whether any affordable housing will be delivered from the largest proposed site allocation within the emerging Local Plan and is not a sound approach when considered in the context of Paragraph 47 of the NPPF.

1.14 Meeting the OAN for both market and affordable housing within the HMA goes to the heart of the NPPF. The emerging Local Plan cannot therefore be considered sound on this basis as it does not this need.

**Issue: Are the proposed housing allocations justified, effective and consistent with national policy?**

**HSG16: Land at Green Hill and Alexandra Avenue, Warlingham**

**6.87. Are the proposed Modifications necessary for soundness?**

1.15 We consider that additional modifications are necessary to emerging Policy HS16 to ensure that the draft Local Plan can be considered sound. Notwithstanding the emerging Local Plan's failure to meet the identified Objectively Assessed Housing Need and the clear requirement to allocate more land for housing at this stage, sites that are proposed to be allocated for housing in the emerging plan should be optimised to assist the Council in effectively addressing the unmet housing need.

1.16 Draft Local Plan allocation HSG16 estimates the site has a yield of 50 units, including 25 extra care units. We disagree with this estimated capacity by TDC. The Regulation 19 representations submitted by Montagu Evans in respect of HSG16 demonstrates through an informed master planning exercise that the site has capacity to deliver at least 92 residential units within an appropriate and sustainable form and scale of development that incorporates landscaping and open space. This is significantly more housing development than that identified within the draft allocation and is considered to represent a much more appropriate density that would optimise the development potential of the site.
1.17 As such, the draft allocation for HSG16 should be amended so that the site capacity is a minimum of 92 units. This would assist in addressing the shortfall in the proposed housing supply within the draft Local Plan.
Appendix 1.0
Letwin Review Extract – Annex 1
**2 Ledsham Garden Village, Cheshire West & Chester**

*Note based on site visit and briefing provided by the LPA*

<table>
<thead>
<tr>
<th>Background</th>
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<tbody>
<tr>
<td><strong>Site details</strong></td>
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<tr>
<td>Housing – 2,000 dwellings</td>
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<tr>
<td>Area – 105 hectares</td>
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<tr>
<td>Master Developer – Redrow</td>
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<th>Local authority area</th>
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<tr>
<td>Average house prices £190,000, but a big jump for 3/4-bedroom homes. Affordability ratio of around 7 (average earnings £28,000). In general on large sites (such as Wrexham Road (1,300 dwellings) /Winnington (1,200 dwellings) it can be difficult to seek consensus among multiple builders across a site, which can lead to delays. Particular challenges around creating a “sense of place” with different house builders providing different products and design on a single site. It is unusual on a site of this size to have single house builder.</td>
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<thead>
<tr>
<th>Ledsham Garden Village</th>
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<td>Site developed by Redrow. For the first phase this is characterised by smaller 2/3/4-bedroom homes on one side, and larger 4-bedroom homes on the other. Aim to provide as great a range as possible to appeal to as wide a market. Phase 1 for 177 homes (to include 37 to be built on open space at entrance to the development – currently a “shop window”). 140 completed as of January 2018. Permission secured for phase 1 by detailed application.</td>
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<th>Delivery</th>
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<td>There is a set sequence to site build out: starting with site access, then heavy machinery, then labour, through to occupation. Projected output of 140/150 units per year at full capacity across both market and social housing. Social housing (25% in total) made up of ⅔ affordable rent and ⅓ shared ownership.</td>
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<th>Land</th>
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<td>30-40% of annual completions across Redrow land portfolio are from their strategic land holdings.</td>
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<tr>
<th>Labour</th>
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| At peak, employed 150-160 people on site, including 10 apprentices. Area has hit
labour capacity. Not taking full benefit of the apprenticeship levies available. Training of staff can take three years.

**Build out**

On the visit we were told that 140/150 houses was the maximum possible build rate per annum. The team informed us of a Redrow site at Ebbsfleet, Kent expecting 190 completions per annum (but highly unusual). At Ledsham Garden Village specifically, they were experiencing no financing constraints on the speed of build out. However there is a cap on the expenditure available due to viability modelling.

No large infrastructure requirements on site and no remediation expected, either. Provision for primary school on site; contributions to off site health infrastructure and other matters included in the S106.

Construction began in June 2016, with the first homes delivered later that year.

**Outlets**

- 2-bedroom – <20%
- 3-bedroom – 30%
- 4-bedroom – 40-50%

Three outlets on site. Broadly these relate to housing types:

- Terraced homes/’mews’ type
- Executive homes
- Smaller/medium-sized homes

**Sales**

Of 140 built to date, around 80% bought off-plan and the remainder at time of completion. Plots released 6 months in advance of completion. Bulk of off-plan sold within months of coming to market, some without show homes available. Other sites in area show what sort of product Redrow offer. Some transactional friction (house buying chains) but not a huge impact on sales rates.

Explanation of strong sales is the high rate of ‘pent up’ demand locally – house building has been restrained by previous regional controls on numbers. Premium on new build of around 10-20%, influenced largely by competitor pricing and second hand market. 4-bedroom homes selling around £320,000. Selling prices have been increasing throughout development (like-for-like prices have increased).
Constraints identified

Planning process

Delay caused due to disagreement between developer and local stakeholders regarding size of the site.

S106 negotiation

The whole site (2000 units) took c.20 months to conclude. Multiple aspects to the S106 obligations (education, affordable housing, open space, habitat/landscape management, regeneration, locally listed farm buildings, health facilities, various highway and transport initiatives). Traffic infrastructure was a key obstruction, which required extensive engagement with Highways England.

Transport infrastructure

Off site highway work, traffic lights – A540 is a trunk road so had to work with Highways England.

Protracted land ownership negotiations

Materials and labour

Build out constrained by access to material, labour constraints and supply chain. 16 weeks for supply of roof tiles, 3 months for bricks and expected to provide a 12 month forecast. Capacity issues at brick factories. Have imported bricks from Europe. Recognise that importing bricks is a possibility, but constrained by cost, not the availability. The local authority said they wanted support to connect colleges with employers/sites to ensure local labour supply.

Sales

Constraint on off-plan sales is expiration of mortgage offers/Help to Buy.
### Background

Longcross Garden Village is located on the western boundary of Runnymede Borough Council to the south of the existing settlement of Virginia Water in Surrey. The site forming the village is the former Defence Establishment Research Agency (DERA) site, now in use as film studios, as well as the Longcross Barracks site. The site is identified in the adopted 2001 Local Plan as a Major Development Site in the Green Belt.

The site comprises two distinct parcels of land bisected by the M3 motorway, Longcross North and Longcross South. Longcross Rail Station borders the northern boundary of the site. The site is allocated in the draft Runnymede Local Plan (Jan 2018) which has recently completed a Regulation 19 consultation and will undergo further topic-specific consultation prior to formal submission to the Secretary of State by the end July 2018.

### Site details

**Housing** - 200 dwellings (consented); 1700 (proposed)

**Area** – 162 hectares

**Owner and Developer** – Crest Nicholson (in 50%/50% JV with Aviva)

A hybrid consent is held for 176 units in the North parcel (phase 1); the hybrid application process, whilst costly, was highlighted as a positive in reducing the length of the regulatory phase to the commencement of the first phase.

The high cost of the planning process (they have spent £6.5m so far) means that only larger developers and funders (Aviva are Crest’s JV partner), can possibly acquire and promote such schemes.

### Longcross North

Longcross North currently houses a number of buildings in use as a film studio but planning permission has been granted on this site for 79,025sqm of office floorspace, 36,000 sq m data centre floorspace, up to 200 new homes as well as local retail facilities and land for Suitable Accessible Natural Greenspace (SANG) as avoidance for the Thames Basin Heaths Special Protection Area - planning permission referenced RU.13/0856, granted 12th August 2014 (*amended by RU.16/0584 – this removed one planning condition in respect of off site highway*)
works, agreed with the County Highway authority). The permission will also deliver other green infrastructure and community uses. The development is to be delivered in phases, with detailed planning permission and reserved matters having already been granted for Phases 1 and 2.

The western half (approximately) of the North site comprises the Longcross Park Enterprise Zone which falls within the remit of the Enterprise M3 Local Enterprise Partnership. The north parcel is freestanding from any adjacent settlements. The western-most part of the northern parcel falls within the jurisdiction of Surrey Heath Borough Council.

Runnymede BC are leading on the Longcross Village with the support of Surrey Heath BC albeit, the lack of support in the early years led to significant delays in the RBC Local plan process.

Negotiations in respect of potential development of the land falling within Surrey Heath BC are at a very early stage.

The site developers, Crest Nicholson/Aviva, are proposing to seek full planning permission for a further 200 residential units within the North site in the near future making full advantage of the adjacent railway holt with its direct line to Waterloo.

The North site planning permission provides for the following section 106 planning obligations, the most notable being:

- road junction improvements;
- £165k towards design of traffic calming works in either Chobham, Windlesham or Bagshot (post occupation of commercial units);
- £754,641.50 towards Longcross Rail Station upgrading;
- £700,000 towards increased rail stopping service at Longcross – to be all-day half-hourly service. Funding to pump-prime the service for 4 years, paid in instalments to Surrey County Council (SCC);
- bus service enhancements totalling £880,000, delivered by SCC, paid in instalments over 9 years;
- cycle route to be provided along Chobham Lane
- education contributions (£1.43m)
- 25% affordable housing (70% Affordable Rent/30% shared ownership)
- SANG provision including establishment of SANG Management Company to manage the SANG in perpetuity – developer funded for first 10 years
- Strategic Access Management and Maintenance (SAMM) contribution of £630 per dwelling; and
- £150k towards Runnymede BC Travel Initiative.

**Longcross South**

The southern parcel of land does not have planning permission but is capable in
conjunction with the northern parcel of forming a free standing settlement capable of delivering at least 1,300 new homes.

There are a limited number of existing residential properties in Longcross (around 55) which do not fall into the boundary of the former DERA site (south) although these too would form part of the village wider village community once complete.

The Longcross Garden Village site is allocated for development within the emerging 2030 Local Plan along with a number of other borough-wide land parcels which would need to be released from the Green Belt and encompassing some 173 hectares of Green Belt between them.

Overall the circa 1,300 homes envisaged at the DERA site (south) and 400 in the north (of which only 186 currently have detailed planning permission) would provide up to 1,700 in total or around 24% of the plan target. The site allocation (whilst not currently adopted policy) also stipulates that 35% of these dwellings should be provided as affordable units, with at least 65% of these to be for affordable rent.

**Key Infrastructure Issues**

The draft Runnymede Local Plan 2030 has been informed by a series of key evidence reports. Of particular note in respect of Longcross Garden Village are the:

- Runnymede Infrastructure Needs Assessment Dec 2017
- Longcross Garden Village Infrastructure and Viability Assessment Dec 2017
- Strategic Highway Assessment Report Oct 2017
- A320 Corridor Study March 2018

These documents can be viewed on the Council’s website at

[https://www.runnymede.gov.uk/article/15570/Infrastructure](https://www.runnymede.gov.uk/article/15570/Infrastructure)

Despite an agreement with South West Trains and Surrey County Council, together with agreed funding from the development to upgrade the rail service and the station facilities, no meaningful service upgrade has been forthcoming. Such an upgrade is expedient to service the needs of new workers and residents is a sustainable legacy is to be created.

<table>
<thead>
<tr>
<th>Date</th>
<th>Stage</th>
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<tbody>
<tr>
<td>2001</td>
<td>Allocated in draft SE plan</td>
</tr>
<tr>
<td>2004</td>
<td>Crest Nicholson and Aviva purchase site</td>
</tr>
<tr>
<td>Year</td>
<td>Event</td>
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<td>------</td>
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<tr>
<td>2008</td>
<td>SE Plan abandoned</td>
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<tr>
<td>2012</td>
<td>Allocated in draft Local Plan; hybrid application for North phase 1 submitted</td>
</tr>
<tr>
<td>2014</td>
<td>Hybrid application determined; draft Local Plan withdrawn</td>
</tr>
<tr>
<td>2014-16</td>
<td>Judicial Review</td>
</tr>
<tr>
<td>2017</td>
<td>South site allocated in revised draft Local Plan</td>
</tr>
<tr>
<td>2019/20</td>
<td>Estimated adoption of Local Plan</td>
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<tr>
<td></td>
<td>19 year overall planning promotion period</td>
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**Build out**

At Longcross South, Crest are anticipating peak delivery through multiple outlets of around 180 units PA. They are exploring a Build to Rent development of around 200 units that could be delivered early and simultaneous to other units. The absorption rate of BTR homes is around 12 per month.

Crest told us that different product types reach different markets and enable accelerated delivery.

Not all locations are suitable for Build to Rent development. It requires good access to jobs and/or transport links to major economic centres.

Crest’s major projects regularly deliver at over 200 dwellings per annum. Supporting statistics will be shared separately.

**Outlets**

To deliver 180 units PA, they will need three delivery teams, potentially including one from outside Crest (from a partner developer that shares Crest’s design led approach). Each team can sell 40-45 units PA and deliver the 35% affordable housing as well giving circa 60 dwellings per annum per team.

They are looking at the potential for:

- multiple outlets (served from the North and South);
- mixed tenures (private, PRS, affordable, starter homes);
- custom build plots;
- Surrey SME land sales/partnerships; and
• private rented sale.

Build to Rent (BtR) works best in blocks of 100 units. The value of BtR units is circa 85% of open market value, but offers diversity and can be absorbed quickly.

This approach to diversification does not work everywhere as there is not always a BtR market for some types, e.g. Build to Rent, 4 to 5-bedroom homes.

Constraints identified

Local authority capacity

This was identified as a general constraint on submitting hybrid rather than outline applications. The capacity funding provided by DCLG/Homes England via the garden villages programme has been very helpful in this regard at Longcross.

Planning and the Green Belt

Green Belt designation of the site slowed down the granting of consent for the site, with around 200 units in phase 3 of the north parcel currently unconsented. The hybrid process has worked well for phases 1 and 2, taking 9-10 months for determination. A judicial review initiated by neighbouring land owners had delayed implantation of the permission.

Price point

The price point of homes on the site restricts build out as there is limited demand at price points over £600k and more expensive homes are more complex to build. At higher price points, developers are more reliant on a functioning second hand market because of the higher transactions costs and longer chains.

Skills and capacity

This was identified as a general constraint, particularly post-Brexit, rather than something specific to Longcross. Crest are responding to this by investing in an off site manufactured solution, with an aim of building 2,500 of their 4,000 units annually via MMC within the next five years. It is (slightly) more costly but Improves quality and most importantly takes bricklaying and other cladding trades out of the ‘critical path’.

Community

Building homes too quickly, where there is limited construction access, makes it more difficult to create a community/liveable environment.
Risk and certainty

Developers fear holding unsold stock. Holding unsold stock makes firms go bust – this was the experience of the 2008 crash, but build out is pushed hard until you hit a high risk of excess stock.

The response in 2008-9, when mortgage finance dried up, was to slow/stop building and convert excess stock to other tenures.

Sales are unpredictable irrespective of the build out rate – at Bath Riverside, sales can fluctuate between 50 and 150 open market sales per year.

A low sales rate slows down build out as excess stock quickly becomes unfundable.

Planning v Delivery

Crest pointed out that it takes them far less time to build out their major sites than the time taken to get an implementable planning consent.

At Longcross, Crest/Aviva have actively promoted planning for the Southern site since 2001 and, despite the support of RBC and the South East plan throughout that period, are still not in a position to submit an outline planning application for the South due to prolonged delays with the plan led planning system.