Oxted and Limpsfield Residents Group (OLRG)
Response to the draft Tandridge Local Plan Examination
(Matter 2) Statement of Common Ground Tandridge
Housing Forum and Tandridge District Council
1 Introduction and Summary

1.1 This document has been prepared to respond to the submission of a draft Statement of Common Ground (SOCG) between the Tandridge Housing Forum (THF) and Tandridge District Council (TDC). We have responded to the Draft SOCG in order to provide the Inspector with a timely summary of our views which we hope helps the Examination process move forward.
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2 Comparing the Estimates

Summary of OLRG position

2.1 Our position has always been that the standard projections have little value as reliable indicators of future population growth in Tandridge because house building and migration flows are linked and so the projections are little more than a projection of past house building rates in Tandridge and other districts.

2.2 The accelerated house building in Tandridge and suppressed house building in these other districts means that Tandridge inadvertently soaked up a combination of unmet need, wider housing demand, and lifestyle choices arising in these other districts. (OLRG Matter 2 Hearing Statement, paras 1.12-1.17, OLRG Regulation 19 representation Chapter 11, paras 11.6-11.46 and 11.52-11.59). The projections assume this continues for the next 20 years.

2.3 The adoption of the standard methodology does not suddenly make the projections more reliable – it merely increases the amount of net inflows and adds to the already very distorted results.

2.4 Instead, the question that arises from a clear understanding of the demographic modelling for Tandridge is how much inward migration should be included in the OAN.

2.5 For the avoidance of doubt, at no point have we said in any of our representations that migration flows should be excluded from the housing needs assessments. Unfortunately, we were not able to respond to the inaccurate paraphrasing of our position on the part of the Council and other representors at the Matter 2 Hearing Sessions.

2.6 We agree with the Council that the OAN can be a range and we provide four reference figures to support our view that the range is between 142-259 dpa:

2.7 116 dpa: This is the figure from the “zero net migration” scenario commissioned by OLRG (OLRG Regulation 19 submission, Chapter 11, Appendix A). It is the only figure in the Plan evidence base that approximates “natural change.” It is customary in plan-making for a suite of demographic scenarios, including zero net migration, to be provided to inform the demographic analysis and the entire plan-making process, but a zero net migration scenario has not been provided in the Council’s evidence base which is why OLRG commissioned one.

2.8 The lower end of any OAN range should be higher than this figure to include some net inflows.
2.9 **125 dpa:** This figure is the RSS figure on which the Core Strategy is based and includes some net inward migration. Little was expected of Tandridge in the RSS because the RSS recognised there was little in Tandridge. The new Local Plan is not seeking to change the position that there is little in Tandridge.

2.10 The current projection results would be much lower had house building in Tandridge been closer to the RSS figure and so the entire context of the OAN discussion would have been around much lower figures.

2.11 The lower end of any OAN range should be higher than 125 dpa.

2.12 **142 dpa:** This is the implied rate for what the government believes constitutes a “business as usual” rate of house building at 0.4% (OLRG Matter 2 Hearing Statement, paragraph 1.20, OLRG Regulation 19 submission, Chapter 11, paras 11.47-11.51). If house building is higher than this rate, then LPAs qualify for New Homes Bonus. This figure includes some net inward migration. We believe 142 dpa should be the lower end of the OAN range.

2.13 **259 dpa:** This is the average completion rate from 2006-2018 calculated from the 2018 Annual Monitoring Report (HNS8: para 5.10, and Table 1: Cumulative total of 3107 dwellings over 12 years). HNS8 confirms our position that development has been brought forward significantly because the 20 year Core Strategy housing requirement has been met in just ten years, as follows:

5.12......*The table above (ed: Table 1) shows the target was met within the 2015/2016 monitoring year, ten years before the Plan (ed: Core Strategy) period.*

2.14 This accelerated development has artificially boosted net inflows from other adjoining districts as we explain in OLRG Regulation 19 submission, Chapter 11, para 11.9.4.

2.15 We believe that 259 dpa should be the top of the OAN range because:

- The Council’s evidence shows this rate of development is considerably in excess of the England average (HNS12, page 53, Figure 3.13 and HNS19, page 25) and so this rate is already significantly boosting the supply of housing. This level of house building has already inadvertently met need in adjoining districts (OLRG Regulation 19 submission, Chapter 11, paras 11.10 and 11.17-11.31.
- This rate is much higher than the government’s “business as usual rate” identified above.
- This past high completion rate has been reflected in the population and household projections, which, as the Council explains, includes net inflows arising from “lifestyle choice” (SCON5, page 1282/paragraph 32). Choice means that more than one option is available, and so does not equate to housing need. Therefore, the figure of 259dpa is greater than housing need.
2.16 “Table 1-OLRG” (below) is the Table 1 from the Draft SOCG with an added column on the right labelled “OLRG” which summarises the OLRG position. We provide more detail in the following sections corresponding to each row of the table.
<table>
<thead>
<tr>
<th>Component</th>
<th>THF 2014</th>
<th>THF 2016</th>
<th>TDC/NMSS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Household change per year in published official projection</td>
<td>453 hpa</td>
<td>322 hpa</td>
</tr>
<tr>
<td></td>
<td>Standard projections have little value as reliable indicators of future population growth because housebuilding and migration flows are linked. Accelerated development in Tandridge artificially boosted net inflows from other districts to the extent that more than 90% of the future population growth is projected to be net inflows. There is no justification for either the past or future high rate of net inflows other than the very high completions rate in Tandridge and suppressed housebuilding in these other districts.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Adjustment for mid-year estimates 2013-2018</td>
<td>331 hpa</td>
<td>433 hpa</td>
</tr>
<tr>
<td></td>
<td>No adjustment for mid-year estimates 2013-2018</td>
<td>331 hpa</td>
<td>433 hpa</td>
</tr>
<tr>
<td>3</td>
<td>Allowance for empty and second homes</td>
<td>411 hpa</td>
<td>321 hpa</td>
</tr>
<tr>
<td></td>
<td>No comment.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Homes needed after any migration adjustment</td>
<td>10 dpa</td>
<td>10 dpa</td>
</tr>
<tr>
<td></td>
<td>Homes needed after any migration adjustment</td>
<td>10 dpa</td>
<td>10 dpa</td>
</tr>
<tr>
<td>5</td>
<td>Year-end estimates 2013-2018</td>
<td>No adjustment</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Homes in Tandridge - Year-end estimates 2013-2018</td>
<td>No adjustment</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Year-end estimates 2013-2018</td>
<td>No adjustment</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>10 year migration adjustment</td>
<td>11 dpa</td>
<td>33 dpa</td>
</tr>
<tr>
<td></td>
<td>Agree with the Council. The ten-year period used by THF encompasses the period of accelerated housing development. Homes are needed at any point. For mid-year and second homes with adjustments - No comment.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 1. OLRG: Summary of positions.
<table>
<thead>
<tr>
<th>Component</th>
<th>THF 2014-based</th>
<th>THF 2016-based</th>
<th>TDC/NMSS OLRG</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>Homes needed after any migration &amp; household formation rate adjusted</td>
<td>434 dpa</td>
<td>437 dpa</td>
</tr>
<tr>
<td>10</td>
<td>Market signals uplift</td>
<td>130 dpa (+30%)</td>
<td>131 dpa (+30%)</td>
</tr>
<tr>
<td>11</td>
<td>Estimated OAN</td>
<td>564 dpa</td>
<td>568 dpa</td>
</tr>
</tbody>
</table>

Disagree with THF and Council. Increasing the figure only increases the amount of inward migration. These inward migrants are assumed by the Council to keep their higher paying jobs elsewhere and so will always be able to pay more than the local market rate of housing in Tandridge. These inward migrants also increase the amount of inward migration. These inward migrants are assumed by the Council to keep their higher paying jobs elsewhere and so will always be able to pay more than the local market rate of housing in Tandridge. These inward migrants also increase the amount of inward migration. These inward migrants also increase the amount of inward migration.

Table 1-OLRG (cont): Summary of positions
3 Demographic Projections

Row 1: Household change per year in published official projections

Agree with the Council
3.1 The majority of the future population change in the standard projections is due to net inward migration. (HNS5, para 3.8, HNS22, para 17). We quantify this at around 90% of the future population change (based on data tables shown in OLRG Regulation 19 submission, Chapter 11, page 6, Figure 11-1).
3.2 There has been an extremely high rate of house building in Tandridge (HNS12, page 53, Figure 3.13, HNS19, page 25).
3.3 Past house building rates and migration flows (in and out) are linked (HNS22, Annexe A paragraphs 1-3 and chart A1).
3.4 The standard projections mechanically project the past into the future.
3.5 There is no economic reason for either high past or future levels of net inflows because both historic and future employment growth rates in Tandridge are limited (TED09, TED04, OLRG Regulation 19 submission Chapter 11, paras 11.104 - 11.110 and para 25 of Appendix 11-B (2016 ColReg Appendix 2 Page 9)).
3.6 Tandridge is a “minnow” compared to neighbouring districts (TED04, para 2.1.7, OLRG Regulation 19 representation, Chapter 2, para 2.9).

Disagree with the Council
3.7 There are three areas of disagreement with the Council as follows:
   • reliability of the standard projections
   • the difference between population and household growth arising from births versus net inward migration.
   • inclusion of “choice” in the OAN
3.8 The following sections explain this in more detail.

Reliability of the standard projections
3.9 Council’s position: Standard projections are a reliable indicator of future population growth in Tandridge.
3.10 OLRG position: Standard projections have little value as reliable indicators of future population growth.
3.11 It is common ground that house building and migration flows (both in and out) are linked which means that the projection of future net inflows and outflows is self-fulfilling and circular. Therefore, the population projection results for Tandridge
are little more than a projection of past house building rates in Tandridge, and in other districts, into the future.

3.12 The Council’s evidence (HNS12, page 53, Figure 3.13, HNS19, page 25) shows that house building rates were extremely high in Tandridge and development was accelerated because the Core Strategy targets were met in 10 years instead of 20 years, and so net inflows have been artificially high (HNS8, Table 1 and paragraph 5.12).

3.13 Remember that past inflows are projected into the future. The consequence of the above leads to the extreme – and we would say somewhat absurd - result that a single year of average historic net inflows from the London Borough of Croydon (774 persons) is greater than the projected total population increase arising from births/deaths in Tandridge (460 persons) over the next 20 years. (HNS13, Page 9 Table 2.3, OLRG Regulation 19 submission, Chapter 11, paras 11.22 and 11.23).

3.14 Had house building rates been lower in Tandridge, past inflows would have been lower which means that projected future inflows would also be lower. Likewise, had house building rates been higher in destination districts, like Mid Sussex, past outflows would have been higher and so projected future outflows would also be higher. Either or both of these would have reduced the amount of net migration included in the projections, and so reduced projected future population growth.

3.15 The Reigate and Banstead Inspector (OTHE13) faced a similar, albeit far less extreme, set of circumstances because Reigate and Banstead had pulled forward development as part of being a designated “growth hub” under the RSS (South East Plan).

3.16 This meant that the future population figures, and in particular the net inward migration component, were inflated and so he concluded that the population projections had little value as reliable indicators of future growth:

23. . .Consequently the latest population and household projections assume that the high growth trend of the previous five years will continue into the future. For example, the 2011-based projections show a population growth of 16% in the period 2010 to 2021 for Reigate & Banstead, compared with a growth by 2028 of under 13% for the South East and under 15% for Surrey1. Clearly the recent projections do not take into account that, under the NGP initiative, growth in Reigate & Banstead was expected to tail off in the latter part of the plan period. Their value as reliable indicators of future growth is therefore limited.

3.17 The adoption of the standard methodology does not make the figures any more reliable because the standard methodology calculation merely increases the percentage of net inflows. This leads to an even more distorted result where close to 100% of the future population growth in Tandridge is due to net inward migration.

1 OLRG Regulation 19 submission, Chapter 11, Page 41, para 5, Figure 1 also shows that projected population growth in Tandridge at 17.7% is much higher than Surrey at 16%, and the South East at 14.9%.
Population and household growth arising from net inward migration

3.18 Council’s position: Population and household growth arising from inward migration and local birth/deaths can be treated the same for the purposes of plan-making.

3.19 OLRG position: Inward migration and births cannot be treated the same in plan-making.

3.20 We note that HNS22 paragraph 17 highlights that there are significant implications due to growth arising primarily from net inflows versus births (ed: emphasis added):

As already noted, the flows to and from the rest of the UK are by some way the largest of the six components of change. Unlike births, they have an immediate impact on the adult population of an area and therefore have significant implications for household numbers and housing requirements.

3.21 However, the implications of this have neither been identified nor have they been incorporated into the plan-making process, and this is where we disagree.

3.22 The Local Plan is an “inward migration-led” plan and that should have been recognised from the start and then consistently incorporated throughout all aspects of plan-making. The implications of the Plan being primarily inward migration-led include, but are not limited to:

3.23 Duty to cooperate:
- The D2C discussions have not recognised that this is an inward migration-dominated OAN and Plan, where the need/demand arises outside of Tandridge in the adjoining districts and is not attributable to Tandridge.
- The net inflows are a consequence of past house building rates in Tandridge and other districts and so not attributable to Tandridge. Is Tandridge – with all of its limitations -- the most appropriate and sustainable place to accommodate what is wider population growth/demand? This is an important cross-boundary strategic matter that has not been included in the D2C discussions.
- The greater the population growth in Tandridge from net inward migration, the greater the reliance on adjoining districts for employment, services and infrastructure. However, this increased reliance has not been part of D2C process.

3.24 Spatial Strategy for housing and employment:
- Inward migrants are assumed to keep their higher paying jobs outside of the District and commute to them. Is this consistent with sustainable development?
- The Council has not taken into account the fact that most people in Tandridge travel to work by car largely to employment in adjoining districts to the north
and west. Instead, travel to work patterns and the dominance of the car have been explicitly ignored by the Council (OLRG Matter 1 Hearing Statement, para 1.13, SBC8, Paragraph 7.128, SBC1, para 4.5).

3.25 Affordability:
- Inward migrants can afford to pay more for housing and so any affordability uplift merely increases the number of net inward migrants who can pay more for housing.

3.26 Infrastructure and Services:
- Population and household growth arising from inward migration places much more immediate and greater demands on all types of infrastructure and services compared to increases in population arising from births to existing residents.
- Many of these services will only ever realistically be available in other districts. For example, it is unrealistic to assume brand new A&E services will be built in Tandridge. This means that population growth from inward migration in Tandridge will be ever more reliant on A&E outside of Tandridge at East Surrey Hospital, which is located in Reigate and Banstead Borough Council’s area. However, this increased reliance is not part of any SOCG. Second, this generates another somewhat absurd situation because most of the projected inward migrants would be from Croydon, which has a large, full service hospital including A&E.
- Different infrastructure and services may also be required.

3.27 Green Belt:
- Is it justified and consistent with national policy to propose the release of Green Belt in Tandridge to meet housing need/demand from adjoining districts in preference to other solutions or approaches that are located in those districts?

3.28 Tenure/mix requirements:
- The quantity of inward migrants means that their demographics will swamp those of local residents, who are likely to have different tenure/mix requirements.

3.29 Affordable housing:
- The calculations include a large proportion of inward migrants who will not have a local connection. These flawed calculations have been used to justify policy approaches that are, themselves, required to meet a “local need” or “local connection”.

The housing needs assessment and “choice”

3.30 Council: Net inward migration due to life style choice should be included in the OAN. The Council attributes at least some of these inflows to a “life style choice” as shown in the OLRG Regulation 19 submission Chapter 11, paras
11.6.2/11.33/11.37/11.53 and the original source document SCON5 page 1282 paragraph 32, emphasis added):

...Other reasons will include the life style choices of those employed in London who decide to move out for the environmental and other benefits it offers whilst retaining their jobs in London.

3.31 OLRG position: Choice means “more than one option is available” and so the Council’s OAN figure is too high because it includes an allowance for those making lifestyle choices.

3.32 The OAN is meant to calculate housing need and not housing “choice”.

**Rows 2-5**

3.33 We have no comment on these rows.

**Rows 6 and 7: 10 year migration adjustment and homes needed after any migration adjustment**

Agree with the Council

3.34 We agree that no ten-year migration adjustment is necessary.

**Disagree with the THF**

3.35 The ten-year period used by the THF incorporates years of high house building as explained above and also in (HNS12, page 53, Figure 3.13 and HNS19, page 25) and so the THF figures in Row 7 are also inflated.

**Rows 8-9**

3.36 We have no comment on these rows.
Chapter 4 Market Signals

Row 10: Market signals uplift

Agree with the Council

3.37 We agree with the Council’s reasoning (HNS5: page 5 (b) market signals and paras 5.14 – 5.16) regarding the consequences of increasing net inflows.

3.38 We add that these same arguments also apply to Rows 1, 3, 5, 7 and 9 and 10 rather than just to Row 10 because all of these figures are comprised primarily of net inflows.

Disagree with the Council

3.39 TED04 page 22, paragraph b iv states that affordability is best addressed through a shift in mix away from larger/executive units toward smaller units (emphasis added):

...In Tandridge affordability is best addressed through action on the qualitative aspects of the new housing supply (PPG ID: 2a-021-20140306), not by relying on numerical affordability uplifts. A different market sector would be provided for through SGGC (based on large scale development and small unit/low cost market/affordable/rented provision). This will shift the emphasis away from the housing market sectors that have been predominant in Tandridge in the past (small sites and larger and executive units, premium market sale/limited rented. This is likely to be more effective in improving affordability in the current economic and planning policy context. The shift in emphasis of the type of housing can be particularly achieved by development of SGGC....

3.40 However, HNS8 paragraph 5.28 contradicts the Council’s statement and explains that over the past 12 years more than 70% of completions contained 3 or fewer bedrooms (emphasis added):

5.28...The Core Strategy target of 70% of houses being of 3 or fewer bedrooms has been achieved for the last twelve years. During the monitoring period 281 out of the 332 (85%) were [sic] total housing completions were 3 bedrooms or less.

3.41 This historic period also coincides with the period of accelerated housing development and increased net inward migration where those inward migrants will have kept their higher paying jobs outside of Tandridge. These inward migrants would have been able to pay more for housing than those who are employed locally. The ability to pay more, puts upward pressure on local house prices no matter what the size of dwelling.
3.42 In other words, despite the very high proportion of smaller units being completed over the past 12 years, affordability remains an issue in Tandridge.

3.43 Unfortunately, given this experience, it does not appear that continuing to build smaller units or increasing the rate of house-building even more than in the past can genuinely address this issue.

3.44 It is for these reasons that we conclude that an affordability uplift will not achieve the intended objective and so is not justified.

**Disagree with the Council and THF**

3.45 Applying a “going rate” in light of the vastly differing circumstances of Tandridge compared to these other districts is not justified.

3.46 The percentages used are too high and are likely to exacerbate affordability issues because increasing the OAN merely increases net inflows. Those inward migrants will keep their higher paying jobs elsewhere and so will continually push up local house prices.

**Row 11: Estimated OAN**

3.47 This is covered in our summary and in Table 1-OLRG.
Chapter 5 Employment Growth

Agree with the Council

3.48 We agree with the Council in both their Matter 2 (TED04) and Matter 5 (TED09) Hearing Statements that there is limited employment growth in the District and so there should be no upwards adjustment to the projections.

3.49 We add that limited employment growth in Tandridge has been the OLRG position since we submitted our first Regulation 18 representation in 2016.

Disagree with the Council

3.50 However, the Local Plan continues to allocate employment land based on employment land projections contained in ECRT4 which are much more optimistic than the limited employment outlook presented in the Council’s Matter 2 (TED04) and Matter 5 (TED09) Hearing Statements. We explain why this approach is not sound in our Matter 2 Hearing Statement paras 1.9-1.11 and our Matter 5 Hearing Statement.
Chapter 6 Affordable Housing

Agree with the Council

3.51 We agree that the affordable housing needs assessment is not an objective calculation nor is it mathematically valid.

Disagree with the Council

3.52 We disagree with the Council’s use of the affordable housing needs assessment outside of the limited context of mixed/affordable housing development as specified in PPG (2a-029). The Local Plan uses the figures to justify expansion of policies (e.g. TLP13) and also as decision-taking criteria within policies (TLP10 and the Housing Strategy) both of which are using the figures contrary to the PPG.

Disagree with the Council and the THF

3.53 The affordable housing needs assessment includes future household growth figures that are significantly higher than the total projected population/household growth. It is not reasonable for such a figure to be used to justify an increase in the OAN as is being done by the THF.

3.54 In particular, HNS11/Table 2.5/Step 4.1 shows a gross younger household formation value of 782 dpa, which is more than double the standard projection results shown in Row 1 on which the Council bases its OAN of 322 hpa. This gross figure is then multiplied by 44% to arrive at a figure of 340 dpa (Step 4.2), which, again, is higher than the total projected population/household growth shown in the standard projection results.

3.55 We disagree with the figures put forward in Section 6.4/Table 3 by both parties. The future component of the affordable housing needs assessment is neither a mathematically valid, objective calculation nor is it representative of affordable housing need in Tandridge as we explain above and in Chapter 18 of our Regulation 19 submission pages 4-10.